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Official Publication of the National Retail Credit Association National in Name---International in Scope

APRIL, 1938 - Vol. XXVI, No. 7

Sky Line of Fort Worth—
"Where the West Begins"

Fort Worth, home of the Fort Worth Retail Credit Association (one of our live and aggressive local units), had its early beginnings as a military outpost on the banks of the Trinity River, established to protect the settlers who were pouring into the vast uninhabited lands of the new State of Texas.

With the coming of the railroad in 1876, it became the principal cattle distribution center in the Southwest. Today it is one of the largest cities in Texas.





Founded

In 1912

Six Advertisements In This New "Pay Promptly" Campaign

Companion to the "Standard" Series

Your Credit Record Is An Open Book



And You Are The Author!

By the Way You Pay, You Write Your Own Record on a Little Card In the Files of the Credit Bureau.

YOUR credit record is of your own making. The Credit Bureau only keeps the record! Shown in the inset above is an actual credit record (with the customer's name and address omitted). It shows how that customer has paid his accounts—as

truly as if he had written the record in his own book!

Millions of records like this, in the files of the credit bureaus of the United States and Canada, form the basis of credit reports—used by creditors and employers to judge the trustworthiness of individuals.

Prompt Payments Make a Good Credit Record — And Keep It "O. K."

MEMBER



PUBLISHER NOTE CAREFULLY This Space Is for Local Association Signature to be Set by You

Cut off small brackets at each outside corner of advertisement which are placed there only to indicate exact size of space

C1937, NATIONAL RETAIL CREDIT ANSWEIATION

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These ads come complete, in mats ready to hand to your newspaper, in two sizes. Prices:

8 x 12 in. \$2.00 each 4 x 6 in. \$1.25 each

Sample advertisement (in 4" x 6" size) shown at left—actual size.

Series may be used as a campaign or in conjunction with our "Standard" series of 12 ads.

If you have used the "Standard" campaign, this new campaign can be used to "follow through." *If you have not* used the "Standard" campaign, you can use both as a continuous newspaper campaign of 18 advertisements.

A new "Portfolio of Pay Promptly Advertising," showing all of the ads of the new campaign, as well as the effective advertisements of the "Standard" campaign, will be sent upon request.

NATIONAL RETAIL CREDIT ASSOCIATION

FOURTH FLOOR

SIX NEW ADS:

"Good Credit Is Your Magic Wand"

"Prompt Payment of Bills Prevents 'Q.

"Your Credit Record Is an Open Book"

"Are You Haunted By Credit Worries?"

"Is Your Credit Record Holding you Back?"

"Friends Talk About 'Q. C.,' Too!"

1218 OLIVE STREET

SAINT LOUIS, MO.

The CREDIT WORLD

(Registered U. S. Patent Office.)

Official Magazine of the NATIONAL RETAIL CREDIT ASSOCIATION

April, 1938

Vol. XXVI

EDITORIAL AND EXECUTIVE OFFICES 1218 Olive St. St. Louis, Mo.

L. S. Crowder	_Editor
DANIEL J. HANNEFINManaging	Editor
ARTHUR H. HERTResearch I	Director

G.	F.	O'Co	NNEI	LL				 		 					. Circul	ation	Manager
M.	E.	RIOR	DAN			 	 		 						Adver	tising	Manager
R.	PR	ESTON	SHE	ALI	Y					0	 	r	a.	th	unglon	Kept	esentative

Advertising Representatives

THOMAS W. FARRELL......64 East Lake St., Chicago WILLIAM J. DELANEY, INC. 9 Rockefeller Plaza, New York

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This publication carries authoritative notices and articles in regard to the activities of the National Retail Credit



In all other respects the Association cannot be responsible for the contents thereof or for the statements or opinions of writers.

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Coupon Cash

increases credit control



Slow-paying charge accounts are Worry No. 1 for Credit Managers. No wonder department stores are enthusiastically adopting Rand McNally Budget Coupon Books as a practical system of control.

Credit risks are limited-bookkeeping costs are cutyet sales are stimulated.

Coupon Books by Rand McNally are printed in all convenient amounts-from \$10 up. Customers pay as little as 20% down, and the balance in four or five monthly installments.

For many years Rand McNally Coupon Books have proved their accuracy and lasting qualities. For further information, write Dept. CW-4, Rand McNally & Company, 536 South Clark Street, Chicago, or 111 Eighth Avenue, New York City.

BUDGET COUPON BOOKS

Official Notice

To All Members of the National Retail Credit Association:

You are hereby notified that the Twenty-Sixth Annual Convention of the National Retail Credit Association will be held in the City of Pittsburgh, Pennsylvania, June 21, 22, 23 and 24, 1938, for the election of officers and four directors at large and the ratification of directors elected by the respective dis-tricts, also the installation of officers and directors and the transaction of such business as may properly come before the meeting.

Officers Whose Terms Expire:

President, J. Gordon Ross, Rochester, New York; First Vice-President, L. M. Karpeles, Birmingham, Alabama; and Second Vice-President, A. E. Kaiser, Los Angeles, California.

Directors' Terms Expiring 1938:

The directors' terms for Districts 6, 7, 8, 9, 10, and 11 (North and South) and four directors at large expire at the Convention. The directors elected by Districts 6 to 10 inclusive will be ratified and installed for three years while the directors for District 11 (North and South) will be ratified and installed for two years.

L. S. CROWDER General Manager-Treasurer

Attest: ARTHUR H. HERT Secretary.

EDITORIAL COMMENT

By L. S. CROWDER



"On to Pittsburgh"

I MPROVE your credit knowledge through personal contact and interchange of ideas. When?

June 21-24, 1938. Where? Pittsburgh.

What Occasion? Twenty-Sixth Annual Convention of the National Retail Credit Association.

The program is practically complete. A former National President, that peerless speaker, Mr. Leopold L. Meyer, will deliver the opening address.

He will be followed by Mr. Edgar J. Kaufmann, President, Kaufmann Department Stores, Inc., one of the foremost retailers of the nation and President of the Retail Merchants Association of Pittsburgh, whose subject will be "Modern Merchandising." Another outstanding speaker, Mr. Henry H. Heimann, Executive Manager of the National Association of Credit Men, will cover "The Business Outlook"—a subject on which he is eminently qualified to speak.

Other subjects and speakers follow:

"Installment Credit—The Dangers of Considering Quality Only," by P. C. Mohrman, Biggs-Mohrman & Company, New York.

"Improving the Efficiency of the Credit Bureau," by Charles E. Moorman, Manager, Retail Credit Men's Association, Jacksonville, Florida.

"Ten Years of National Legislative Work and Suggestions for the Future," by W. J. Morgan, Brooks Brothers, New York City.

"Credit Sales Department Opportunities," by Miss Mary Altizer, S. H. Heironimus Company, Roanoke, Virginia.

"The Importance of Uniform Installment Terms," by Edgar I. Amthor, L. Bamberger & Company, Newark, N. J.

"Plans for the Future," by Miss Avadana Cochran, President, Credit Women's Breakfast Clubs of North America, Bremerton, Washington.

"Personal Inventory," by Leonard Berry, B. Forman Company, Rochester, N. Y.

"Common Sense in Retailing," by W. D. Hart, Retail News Editor, Fairchild Publications, New York, N. Y. "How We Try to Prevent the Pyramiding of Installment Accounts," by S. E. Shermantine, General Manager, Retailers Credit Association, San Francisco, California.

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"The Great American Public," by W. G. Van Schmus, Managing Director, Radio City Music Hall, New York, N. Y.

"The Tie That Binds," by Thomas Downie, Manager, Retail Credit Grantors Bureau, Ltd., Vancouver, B. C., and A. B. Buckeridge, Executive Manager, Credit Bureau of Greater New York, New York, N. Y.

"The Importance of Obtaining a Complete Report from the Credit Bureau," by B. A. Farrell, Frederick Loeser & Company, Brooklyn, N. Y.

"Better Letters," by Daniel J. Hannefin, Better Letters Counselor, St. Louis, Mo.

"Improving Credit Conditions Through Education" (five ten-minute addresses).

"Effective Collection Mediums" (three tenminute addresses).

Many subjects of importance will be discussed in the Group Conferences each afternoon, among them the following:

1. Is it advisable, in the face of present conditions, to continue expanding credit sales?

2. Should installment terms be shortened further and down payments increased?

3. What can be done to reduce Credit Sales Department expenses and at the same time operate the department efficiently, maintaining a satisfactory collection percentage and holding credit losses to a minimum?

Alert credit executives are planning now to meet in Pittsburgh for the discussion of all phases of credit granting and you are urgently requested to be there on the opening day.

Whether your problem be one of credit control, increasing credit sales, improving collection turnover, or the adoption of more efficient methods, you cannot afford to miss a single session of the Convention. Write the National Office NOW that we may count on your attendance.

P. S. Better still, fill in the registration blank on page 28 and mail it in.

2

Hi-Speed Collections From Low-Pressure Methods

By EDWARD MEIER*

Credit Manager, Marshall Field & Company, Chicago

PROMPT collections are a vital feature of any business. Irrespective of the size of the business, profits are dependent largely upon the number of times a merchant can turn over his capital, and frequent turnovers can hardly be coupled with slow collections.

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Most debtors respect a house which shows that its accounts are closely watched and promptly collected. They will pay the accounts of such a house more readily than the account of a house which is lax and careless in demanding prompt payment. The aim of the Credit Department, then, it would seem, should be to get the customers of the house to acquire the habit of making prompt payments.

Collecting is something more than dunning on a delinquent account. It is a problem of continued credit. This includes tactful treatment of customers. It is one thing to collect an account, and another far more important thing, to collect it and, at the same time, win the customer's good will. Efficient collection procedure is to analyze each account. We should consider important factors, such as the personal integrity and financial status of the customer.

In planning collection methods, it is well to remember human traits. People are prompted, as a rule, by one or more of three motives: honesty, pride, or fear. Emphasize strongly in collection methods the first two motives—honesty and pride. These are the most effective appeals. I do not like to use the method fear, although at times it may be necessary. If we cannot collect by the exercise of persuasion, we should endeavor to secure the account.

Editor's Note:

Mr. Meier has been with Marshall Field and Company since 1891.

He has been associated with the Credit Department since 1902—first as a collector, later as an attorney and, finally, as Credit Manager.

Then, I might say, there are three classes of accounts:
(A) Good pay; (B) Slow pay; and (C) Bad pay. I shall always feel that we, as credit men, should be in class "A." Paying bills is more or less a habit. Some people are naturally careless. They are the kind that are very likely to be in class "C."

We must be able to differentiate the good from the bad, and also determine the amount at which we should cease to extend credit. It is just as important to know when an account has exceeded the limit, what class of merchan-

^eAn address before the Sixth District Conference, Minneapolis, Minn., February 21 and 22, 1938. dise is being purchased, as to investigate further into debtors' ability to pay. I have found that so many credit men place a conservative limit figure on an account when it is opened, but apparently allow themselves to overlook one limit notice after another.

These limit notices are danger signals and should be observed as an alarm to proceed with caution. You may have noticed in the past that in most cases where a bad credit has been made, it can be attributed to the negligence of someone to properly obey the signals which have been set to ward off approaching danger.

To what causes can slowness in payment of accounts be attributed? Carelessness; indifference; misfortune; extravagance; lack of funds; and lastly, and in the minority of cases, dishonesty. Just as we have numerous causes of illness, we have an equal variety of cures. More is gained by a kindly generous treatment than by harsh methods, as customers are certain to react favorably to such treatment.

Courtesy in a letter has frequently held a customer and made a missionary for the store. Likewise, a discourteous letter has often aroused the enmity of a customer. No one, if treated tactfully and courteously, can or should take offense, when inquiry is made concerning a past due account. The following is a copy of a letter one of our credit men wrote to a charge customer who owed a bill of some months' standing, after the usual collection letters brought no response:

"We were sorry to notice, while going over your account, that you have made no purchases from us since October of last year. Since that purchase still remains open on our books, we are wondering if there is some question about the merchandise.

"You have been one of our customers for many years and we would like very much to know if we have done anything which would displease you in any way.

"Won't you just write us on the reverse side of this letter whether or not there is any question regarding the amount on our books or our service, as this is our only means of knowing whether we live up to our aim in giving our customers complete satisfaction."

To which the customer replied as follows:

"I want to thank you for your letter. It is a masterpiece of kindly consideration for the customer. It reflects the spirit which makes your company maintain its high place among the great stores of the world.

"Enclosed is my check for my long overdue account of \$_____. I can only hope this is the last of such delays."

Just as in the extension of credit there are, in collections, but few standard rules to follow. Each account must be judged on its own merits; and experience, common sense, and a knowledge of human nature are needed to determine just what ought to be done in each case. As has been pointed out above, efficient collections are necessary to the successful conduct of a business. They must be planned; a system for carrying them out must be devised.

Obviously the correct method in dealing with a past due account would be, if getting in the money were the sole aim, to forget every other consideration and resort to drastic means to get the money. However, there are other considerations: No one wants to lose a slow-but goodcustomer. Drastic means are often expensive means; and finally, harsh measures may frequently be unjust measures. Fundamentally, the chief idea in collections is to get the money, and keep the customer.

If force were the sole method used by a house in collecting accounts, the loss of customers would be heavy. The Credit and Collection Departments must always bear in mind that they are the custodians of good will of customers toward the house they represent. Human beings are subject to forces of habit. A person can just as easily form the habit of paying promptly as of being chronically slow. The credit man, by keeping everlast-

ingly at it, in a courteous and dignified way, may cause an attitude of prompt payment in many of his slow customers. Similarly, an appeal to the pride and good will of customers may yield results in the direction of more

prompt payments.

Just before Christmas, last year, a customer called the Credit Manager of one of the large stores in Chicago on the telephone. She was very angry, and said, "Are you the Credit Manager?" He said, "Yes." She said, "I was just told by one of the Credit men that if I did not pay my bill, which is four months past due, he would not allow me to purchase and charge additional merchandise. I want to know what you have to say about that?" He said, "I would like to tell you, Mrs. ___, to buy all you want, but you know, all credit men are limited in authority, not only in this store, but in all business houses; and, while I am not personally familiar with your account, it is the general opinion that where an account runs four months, it is not a desirable account." She said, in a very different tone of voice than in the beginning, "You have practically told me the same thing as the other credit man did-but I am not angry now. Can I come in to see you tomorrow morning?" The following morning the customer called, paid her account in full, and when she left she said to this Credit Manager, "They should have more men like you in this Department."

I mention this case as you will note the customer said, "You have practically told me the same thing as the other credit man did-but I am not angry now." Why wasn't she angry? Because the Credit Manager agreed with her by saving, "I would like to tell you to buy all you want," and then humbling himself by saying that all credit men are limited in authority, and finally qualified his remarks in a very diplomatic way.

The chances are that if this Credit Manager had told this customer that the credit man was perfectly right in telling her what he did, she would have paid her account and discontinued buying merchandise from that company. Instead, he won her good will. A business man was asked, not so very long ago, "What is good will?" His answer was, "Good will is the one and only asset that competition cannot undersell or destroy."

Collections must be made with a minimum disturbance to customers. An organization, to accomplish this, must have in the Credit and Collection Departments, trained people who are honest and conscientious in the performance of their tasks, and who possess tact and have some knowledge of human nature.

Collection efforts should be commenced when accounts become due, as it seems easier for most people to pay when the purchases are fresh in their minds. When accounts become two months old, or over, they should be properly analyzed each month, and then given the attention they require.

Before rendering itemized bills for previous months' purchases, it is advisable to flag the books for all accounts two months (and over) past due, these to be referred to the credit men who have charge of the particular accounts in question, for the purpose of attaching to such bills before mailing, one of a number of impersonal dunning notices. This kind of notice is inoffensive to the customer, calls attention to the past due balance on the bill, and creates little or no additional expense. It serves as a reminder in the early part of the month that there is an amount past due on the account. If the amount is not paid by the tenth, or the middle of the month, further appropriate action can be taken.

It is also advisable to flag all new and reopened accounts for a period of at least six months. If the account is not paid by the twentieth of the month succeeding purchase, an appropriate notice should be sent to the customer. If no attention is paid to this notice, the account should be taken up with the customer personally. This way, the new customer realizes that you expect your bills paid each month, in accordance with your terms of credit. If proper collection effort is pursued with new customers in the beginning, they will usually follow the wishes of the house in paying bills promptly each month.

Some years ago we mailed a statement on the fifteenth of each month to all customers who owed a balance at that time for previous months' purchases. We do not follow that procedure now, but collection effort is started on all accounts two months and over past due.

From our experience, we have come to the conclusion that it is more efficient and less expensive to use the telephone, whenever possible, in preference to writing letters or having a collector call upon the customer. When a credit man contacts a customer over the telephone, he acquires immediate information about the payment of the account. The credit man does not have to rely upon a collector's report nor wait for a reply to a letter.

If the customer is unable to pay, the credit man can determine at once whether it is advisable to allow the account to remain open for further charges. If the customer agrees to pay only a part of the account, definite arrangements can be made for the balance. A customer, upon being telephoned regarding a past due account, usually reacts favorably, if the person calling does not irritate the customer by what he says, or the way he says it. We have had many complaints in the past about collectors call-

(Continued on page 31.)

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Cleveland Association Honors Past President Driver

A SURPRISE party that really surprised was accorded G. C. Driver, past president of the National Association, by Cleveland credit managers, Thursday noon, March 3. The occasion was Mr. Driver's retirement from the presidency of the Cleveland Association.

Ostensibly, the meeting started out to be just another "Thursday meeting," such as the group has been holding for some forty years. But under cover, a small committee had induced a number of "old timers" to attend -who had not been present for months or years. A vacant chair had been turned over at the "head table." And everyone had been posted to tell Mr. Driver that this was all in preparation for a special guest who had not yet shown up.

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Usual meeting business was transacted. Then William H. Gray, Secretary-Manager of the Cleveland Bureau, asked for the floor to tell of a certain day in 1919 when he and William Hoffman of the Stearn Co. had been delegated to meet a newcomer and take him to dinner. Mr.

Hoffman carried the story from where Secretary Gray left off, telling how this newcomer shortly had been elected to the Cleveland Association's board of directors, then in 1921 to its presidency, in 1922 to a second term; how he had continued on the Cleveland executive board for 18 years—and still was on it!—and had been elected National President in 1936, and then president of the Cleveland organization for the third time in 1937. At this point, Frank R. Dill of the Cleveland Trust Co., newly elected Cleveland president, invited Mr. Driver to occupy the vacant chair of honor—and appointed a guard of honor to see that he did it!

Wallis Slater of the Sterling & Welch Co. recalled experiences showing how highly Mr. Driver was esteemed locally and nationally. Mrs. Ida Bell, president of the Cleveland Women's Credit Club, told the group how much the ladies admired his chivalry, sartorial splendor,

sterling character, generosity, unfailing tact and courtesy, and some other itemized qualities.

Then Charles R. Egeler of the Halle Bros. Co., added a few more testimonials to the honor guest's achievements and ability, and closed by informing Mr. Driver that

when he arrived home that night he would find there tangible evidence of the group's high esteem in the form of a gift which the group hoped that Mr. and Mrs. Driver would both use, enjoy and keep around as a reminder.

And when all the speaking was done, Mr. Driver was still as surprised as when the program started!

Business Conference

The University of Chicago announces its Fifth Conference on Business Education, June 30 and July 1, under the auspices of the School of Business. The subject will be "Business as a Social Institution."

Leading educators and business men will take part in the program. Opportunity for discussion will be provided at each of the sessions.



Wallis Slater Celebrates Twenty-Fifth Year With Sterling & Welch

Wallis Slater, Credit Manager of Sterling & Welch Co., Cleveland, on March 31 celebrated his twenty-fifth anniversary in his present position. He has been in credit work for twenty-six years.

Tulsa Wins National Honor

The International Association of Display Men awarded the trophy in its all-American outdoor Christmas street decorating contest to the Retail Merchants' Association of Tulsa, Okla., for the most attractive street decorations produced by any American city. Credit for the decorative scheme goes to W. A. Rayson, Secretary of the Association.

The Modern Credit Manager

Must Be Promotional-Minded As Well as Collection-Minded

By J. GORDON ROSS*
President, National Retail Credit Association

OR many years the functions of the credit man have been built up largely around his ability to establish the responsibility of a prospective applicant for credit, and subsequently to collect the account. Particular stress has been placed on what has commonly been referred to as the three Cs of credit—character, capital, and capacity. This has largely to do with the protective end of the credit job, which, to a large degree, was considered to be all there was to the job, that is, the matter of protection of the firm against loss through unwise extension of credit.

Modern credit sales managers recognize that there are other functions which come within their jurisdiction which are not necessarily protective in nature. One, which we might term "promotional," has to do with using the facilities of the department to secure more business for the firm. Much has been said and written about the opportunities along this line. Another function about which not so much has been said, but which, to my mind, is of major importance, is that of the public relations function of the department. This deals with the opportunities presented to the department to build up good will for the firm.

Modern credit bureau service has simplified the problem of the three Cs. Today with very little time and effort the credit manager can secure from his credit bureau a complete report which gives him information on which he can readily make a decision as to the acceptance or rejection of an account. Likewise, bureau information available today simplifies his job from the collection angle. Therefore, progressive credit men and sales managers are on the alert to broaden their activities along other lines which are beneficial to their respective firms. In other words, they are giving deserved attention to each of what we might term to be the three Ps of the credit department -protective, promotion, and public relations. So much has already been said and written about the protective and promotional end that I am going to devote my time to the public relations angle.

Surveys have been made which definitely show that customers will do the greater volume of business with the firm that gives quality and service. Price and easy credit are factors, but in general, quality and service will predominate. Today our customers have a legal and moral right to expect honest dealing. In their purchases there are three things they look for. First, quantity, that is, full measure; second, quality, and third, manner. By the

*Excepts from an address before the Sixth District Conference, Minneapolis, Minn., February 21 and 22, 1938.

latter I mean that customers will scrutinize your methods of salesmanship, delivery, service, adjustment, etc. Even though your quantity and quality may be satisfactory, if your sales methods and other services are not on a high plane, you still cannot expect to get the volume that your competitor will get who does give deserved attention to all three.

High Plane of Service

Business today, more than ever before, is aware of a need for a high plane of service as it pertains to all personal contacts with its customers. It is increasingly evident that courtesy, promptness and sincerity create good will. The advantages of good will are easily apparent. Stores which have the good will of their customers find it easier to deal with them in bad times as well as good.

Many opportunities are offered to the credit department to build good will for the store. First, the interviewers, who perhaps make the first contact with the prospective new customer, have within their power to immediately make a new friend for the store by courteous and tactful interviews. The authorizers, by providing speedy and accurate authorization, can render a type of service which is appreciated, but by giving slow or inaccurate information it causes ill will and loss of customers.

Cashiers, with a gracious, cheerful attitude and a cordial "thank you" when payments are made, can do a lot to cause customers to think well of the store. On the other hand, by cold, matter of fact handling of payments, they can even cause customers to react unfavorably.

The matter of handling adjustments is one requiring the utmost tact and diplomacy. Above all things, the adjuster who realizes that an adjustment must be made, should do it cheerfully and not grudgingly.

Correspondence from the credit department can be so worded as to create a friendly feeling, or it can be brusque and discourteous, resulting in loss of customers.

Personalize Collections

Collection activity must be personalized in such a manner that no customer will be subjected to a routine procedure which is apt to offend a good customer. The attitude of the entire credit department should be built up around the knowledge that a satisfied customer is a valuable asset to the store. Good customers are hard to obtain, but may be easily lost through a careless or hasty action.

These are times when business in general is constantly wondering what the trend will be tomorrow. Everyone is depression conscious, and the question frequently arises,

(Continued on page 15.)

Credit -- Prosperity's Background

By E. L. CARTER

Of the Staff of Cleveland Retail Credit Men's Company, Cleveland, Ohio

ASH only" is a sign of hard times. Prosperity returns with the proper expansion of credit. It is therefore inevitable and right that more than 60 per cent of the nation's business should be conducted on a credit basis.

An executive of a large dry goods store located in a mid-western city, recently told a very interesting experience about credit as a business builder. Back in January, 1932, after conducting a cash business for some forty years, he adopted a policy of extending credit privileges to his customers. The results were gratifying, as shown by the following report: "The third year's business increased approximately 35 per cent over the second year, and 70 per cent over the first year." The gains for succeeding years were as follows: "1935 over 1934, 9.11 per cent; 1936 over 1935, 9.16 per cent; and 1937 over 1936, 9.54 per cent. It should be remembered that the credit losses for the years 1935-1936 and 1937 consecutively were only .0016 per cent; .0014 per cent; and .0011 per cent."

The economist says that credit is the life blood of business. By the same token, if there were no credit there would be very little, if any, business. Of all the devices that man has invented or made use of to promote his welfare, credit is the most important. Daniel Webster said: "Credit has done a thousand times more to enrich mankind than all the gold mines in the world. It has excited labor, stimulated manufacture, pushed commerce over every sea." Following that thought, we may safely assert that, as a means of promoting human welfare, credit is more powerful than all the money in the world, all the machinery and labor-saving devices and all the tools of production-for, if the power to buy with a promise to pay were taken away from us, we would have to begin all over again to build up our civilization from the basic condition of barter and exchange.

With credit being used in practically every phase of our economic life it is only natural that there are abuses. These abuses come about primarily because the right care and intelligence are not exercised in the use of credit.

Professor Douglas of Yale Law School and Judge Clark of the Federal Court of Northern New Jersey a few years ago made a study of 612 business failures to determine the cause or causes of these failures. The survey revealed the following reasons:

- 1. Failure to keep proper accounting records.
- 2. Negligence in applying bookkeeping facts.
- Diverting funds from the business for speculative purposes.
- 4. Giving too much credit.
- 5. Accepting too much credit.
- 6. Errors in judgment.

By far the greater number of failures were due to lack of proper accounting records.

Of the number of cases studied 23.5 per cent kept no books; 29.4 per cent kept inadequate records; and 39 per cent never took an inventory, a plain case of little or no

business training. To a degree the same was true of credit. Very little credit investigation was made, as was evidenced by the fact that only 13.4 per cent of the companies that failed were members of any credit association.

In the household appliance field, most credit is extended over a period of months on a chattel mortgage basis. This type of credit has a legitimate and important place in business. Amount of contract, monthly payments, length of time contract is to run are important factors in every installment sale. Some houses are inclined to err in asking for too small a down payment and offering terms extending over too long a period of time.

Recently a large finance company made an exhaustive study of its accounts. The investigation revealed some interesting facts. Here are a few of them: "When down payment is less than 10 per cent, repossessions are six and one-half times as great as when the down payment is 25 per cent; and when terms run over twenty-four (24) months, repossessions are three and seven-tenths times as great as when the terms run twelve (12) months or less."

Repossessions are bad for both seller and purchaser. The seller is compelled to take back used merchandise that has to be reconditioned and sold again, many times at a loss. The purchaser loses his equity and, in a large number of cases, retains only a sad experience.

It is not good business for the merchant to oversell or for the purchaser to overbuy, and this is where the Cleveland Retail Credit Men's Association comes into the picture. For approximately forty years, this association has been assembling into one file pertinent credit facts on over 1,500,000 individuals and firms. These records are constantly being revised and brought up to date for immediate use.

Credit Bureau reports give the seller actual pay records as reported by creditors, together with present commitments and additional helpful information. From these facts, the merchant makes a decision, and in most cases a wise decision, because his judgment is based upon facts and not opinions. This conclusion is borne out by a credit survey, national in scope, conducted by the U. S. Department of Commerce a few years ago which stated that the losses of firms not using a centralized credit bureau were eight times greater than those that did.

The findings of other surveys, both local and national, are practically the same, which should be proof enough of the value of credit bureau service to merchants and others extending credit privileges.

In conclusion, and by way of summary, it would seem reasonable to assume that any household appliance dealer or merchant desiring to conduct a profitable credit business would do well to remember that:

- 1. Credit is a business builder if used wisely and judi-
- Without credit only a very small part of the annual sale of household appliances could be maintained.
- 3. Credit decisions should be based on credit facts.

(Continued on page 23.)

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Current Credit Conditions

By DR. WILFORD L. WHITE*

Chief, Marketing Research Division -- Bureau of Foreign and Domestic Commerce -- United States Department of Commerce

A LTHOUGH this is a talk on retail credit to retail credit men, you are all interested in the underlying factors of retail sales. One of the prerequisites to sound credit policies is a constant and current knowledge of the trend of retail sales in the metropolitan area in which the store is located, in the city itself, and in the particular trade.

The Bureau of Foreign and Domestic Commerce is now making such information available to you and your members free each month within 30 days after the close of the month by trades and for selected cities in 26 states. You can receive these reports promptly upon their release each month if you will let me have your name and address.

So much for retail sales. When a line of credit is granted to a consumer, it may not be more than \$50; when that customer uses it, she may only require 10 to 25 dollars worth in any one month. Yet, when such small sums as these are multiplied by the number of credit customers per store and by the hundreds of thousands of retail establishments which grant credit, we can all immediately recognize the importance of the subject.

What kind of credit, open or installment? Without question, open credit extended to consumers is the more important of the two. Installment, the relative newcomer in the retail field, is the member of the credit family, however, which is attracting attention these days. Borrowed from the industrial field, it was first used in the purchase of houses, then furniture, pianos, and books. It spread rapidly with the development of the automobile. Today, there is hardly an article of consumption which cannot be purchased on the family budget plan, 10 weekly payment plan, deferred plan, or just plain installment plan.

According to the Census, retail sales in 1929 equalled \$49 billion, of which \$16,800 million—34 per cent—were estimated to be credit sales. By 1935, retail dollar sales dropped to 33,000 millions, of which 10,600 millions were on credit (or 32 per cent). For last year, 1937, preliminary retail sales have been estimated by the Bureau of Foreign and Domestic Commerce to be 40,400 millions, of which approximately 13,100 millions, or 33 per cent, were credit sales. Thus it would appear that the proportion of credit sales to total retail sales remained rather constant during this period, declining proportionately from 1929 to 1935 and increasing slightly to 1937.

A breakdown of credit sales into open and installment can only be estimated. Of the total for 1929, 39 per cent were made on an installment basis. By 1935, this percentage had decreased to 34 per cent. For 1936, we estimated it at 36 per cent, and the preliminary figures for last year are 38 per cent.

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Recognizing that most of these figures are estimates and some are even preliminary, it would appear that the proportion of installment sales to total credit sales fell off between 1929 and 1935, but is increasing relatively at the present time.

It is significant to look at these installment figures from another point of view, that of national income. In 1929, installment sales equalled 8.3 per cent of our estimated national income of 78 billion dollars. By 1935, this per cent had fallen to 6.6, but increased to 7.2 in 1936 and to 7.3 in 1937.

It used to be that no merchant would think of selling any article without a down payment equal to his own purchase cost of the article, with the size of the time payments sufficient to give the consumer a substantial equity in the item at all times until final payment. He wouldn't think of selling a piece of merchandise which did not have a current repossession value higher at all times than the unpaid balance.

You are as familiar as I am with the terms commonly granted a year ago and still being granted occasionally. May I repeat a statement made by one of your own men at the Columbia conference in Washington last week? He stated that a jeweler in his home city advertised a ring, valued at \$75, at 25 cents down and one dollar a week until paid in full.

The small business men assembled in Washington, less than two weeks ago, carried the following statement to the President of the United States:

"BE IT RESOLVED THAT terms and down payments should conform with sound business principles:

"That such installment financing should be on a basis that will, during the life of the contract, maintain a substantial equity on the part of the customer in the product being financed, thereby protecting the interest of both the consumer and the dealer."

With the realization that the rate of increase for installment sales was high, and stimulated no doubt by the thoughtless and careless guessing on the total volume of installment sales, business men, through their trade associations, began last summer to pass resolutions urging their members to shorten the length of their time payment contracts and increase the down payments. Among these were your own national association, the National Association of Credit Men, the National Retail Dry Goods Association, and the National Retail Furniture Association.

The resolutions passed by these leading trade associa-

^{*}An address before the Fifth District Conference, Cincinnati, Ohio, February 15, 1938.

tions, recommending a more conservative policy to their members, were converted into action, beginning late this summer, when large and small sales finance companies, banks, and groups of retailers themselves announced shorter terms and larger down payments. This action represents one excellent example of self-regulation by business. Too often talk about self-regulation has not been accompanied by action.

In this instance, however, to the best of my knowledge, there was no pressure on these business concerns except their own better judgment. That can be said to their credit. This action, taken late last summer and early last fall, was initiated without any general realization that we were sliding into a recession which has spread generally throughout industry and commerce.

Sales policies change from season to season. Those which are considered sound when business is dull or slowly improving are not necessarily those which bring in cleaner business when conditions are booming or have started sliding off. It has been said that long terms and small down payments are justified at times like 1932, and that shorter terms and larger down payments are also wise at times like those which we faced last summer.

This simple concept is based upon the fact that when business is sliding off, installment credit sales drop faster than either open credit sales or cash sales and that cash sales decline relatively the least. The facts bear out the idea that the installment buyer is more conservative during these times than either the consumer buying on 30 days' credit or on cash. As business evens off or starts up, in order to draw out those who have purchasing power, longer terms and smaller down payments are good merchandising instruments, assuming of course that the business man at all times uses good judgment and does not go from one extreme to another.

As business approaches a reasonable volume, such as I have pointed out was the case during the last half of 1936, the added incentive of longer terms and lower down payments is not only unnecessary as a business getter but tends to create a market which can accentuate a sudden business recession.

It is true that the buyer of merchandise under an installment contract makes a down payment which more than covers current depreciation in normal times. It is also true that on most products sold in this manner, the final payment is made some time before the product must be discarded.

But it is equally true that when the buyer contracts for a new automobile, mechanical refrigerator, or suite of furniture, he obligates his income for 12 or 18 or 24 months for the amount of the monthly payments. This contract is entered into on the theory that he will have an income during that period and that it will be sufficient to take care of the payments in addition to other obligations.

If such a contract is entered into just prior to a depression or recession which the wage earner shares with the business man, the income of the maker of the contract may remain the same, decline, or disappear. If the income of the installment purchaser has been adversely affected, he has the option of returning the merchandise, asking for an extension of terms, or of continuing his payments either from his diminished income, savings, or by borrowing. If he returns the purchase, he has sacrificed his investment but freed his current and subsequent income for other uses. His action, however, has merely shifted the responsibility to the seller or refinancing agent. If he is refinanced or continues his payments with a declining income, some other part of his budget must suffer.

Even in the case of those whose incomes remain the same, a psychological situation arises. They are more careful in making installment purchases or they try to build up their reserves for the time when their incomes, too, may decline, have to be shared with the unemployed, or be cut off completely.

This line of reasoning fits the facts. For this reason, the granters of such credit should liberalize their policies at the depth of a depression and tighten them at the peak (if only we could read the charts and unerringly pick out these two points).

Early in December last, the Bureau of Foreign and Domestic Commerce set out to find out the facts relative to changes in the down payment, and terms, and to learn more about community credit policies. The report itself will be released shortly, and every credit bureau manager who contributed to it will automatically receive a copy. Others may have it upon request. Managers in 19 cities served by this group reported to us, and I will endeavor to give you a few of the high points as typical, I believe, of this area.

With respect to minimum down payments on new automobiles, 9 of 17 cities reported 33½ per cent as the prevailing figure in 1936. For 1937, 13 of the 17 reports indicated 33⅓ per cent. Eleven of the 17 reports showed 24 months as maximum terms in 1936, but in 1937 there were only 2 indicating 24 months and the number employing 18 months had increased from 1 to 10.

In the case of used automobiles, 9 of 17 reports indicated 33½ per cent as the prevailing minimum down payment in 1936. In 1937 the number employing 33½ per cent had increased to 10—in other words, a very small shift. With respect to maximum terms in 1936, 3 of the 17 reports showed 12 months and 7 reports 18 months. In 1937, five reported 12 months and six 18 months. The number reporting 24 months as typical decreased from 3 to 1.

With respect to furniture stores, minimum down payments in both 1936 and 1937 ranged all the way from 4 per cent to 25 per cent, without any particular grouping at any point. Maximum terms in furniture stores ranged from three months to 24 months in both years and in 1937 there was very little indication of any extensive tendency either to restrict or liberalize.

With electrical refrigerators, there seems to have been a tendency to center upon 10 per cent as the proper down payment. Seven of 17 reports indicated 10 per cent in 1936, and ten—in 1937. There were no reports of "nothing down" in 1937 whereas two localities had reported this prevailing practice in 1936. Thirty and 36 months appear to have been the prevailing maximum terms in 1936, but restrictive tendencies are indicated in that 24 months and 30 months were most common in 1937.

Ten per cent appears to have been the most common minimum down payment on radios in 1936 and in 1937. In 17 reports ten localities reported 10 per cent in 1936

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The Barometer of Retail Business

Credit Sales and Collection Trends

February, 1938 versus February, 1937

OLLECTIONS decreased 3.1 per cent during February, credit sales 4.0 per cent and total sales 5.0 per cent, as compared with February, 1937. These decreases were again attributed to a general decrease in employment throughout the country yet, according to Government reports, the decline in employment was the smallest in several months.

HIGH-LIGHTS—CREDIT SALES

30 Cities reported decreases.

4.0% Was the average decrease for all cities.

26.1% Was the greatest decrease (Detroit, Mich.).

39 Cities reported increases.

19.0% Was the greatest increase (Fort Lauderdale, Fla.).

7 Cities reported no change.

Seventy-six cities, representing 25,689 retail stores, are included in this compilation.

Collections, credit and total sales were only fair in Bridgeport, Conn., due to the closing of many of the local industrial plants. . . Collections were off 10.0 per cent in Augusta, Me., while credit and total sales remained unchanged. Consumers seem to be purchasing only necessities. . . Collections and credit sales were slow in Lewiston, Me., as a result of the closing of several mills. The PWA has started work on several local projects, which is expected to improve conditions to some extent.

Compiled by Research Division National Retail Credit Association Arthur H. Hert, Research Director

Collections and credit sales were off in the New York and Pennsylvania area, but remained unchanged in Erie, Pa... Collections were off 5.0 per cent and credit sales 8.0 per cent in Pittsburgh as a result of continued unemployment... Credit sales were off 10.0 per cent and total sales were off 8.0 per cent in Uniontown, Pa. There was a decline in coal and coke production and mines were operating at less than half capacity.

In Clarksburg, W. Va., collections and credit sales were off 5.0 per cent respectively, while total sales were off 6.0 per cent due to unemployment. They reported: "The outlook for spring business is only fair but an improvement is expected in the summer and fall months."

HIGH-LIGHTS-COLLECTIONS

52 Cities reported decreases.

3.1% Was the average decrease for all cities.

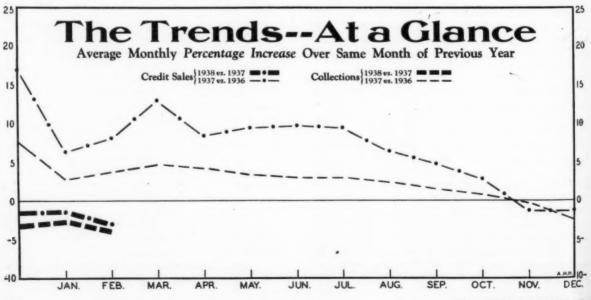
32.0% Was the greatest decrease (Mount Clemens, Mich.).

18 Cities reported increases.

5.0% Was the greatest increase (Charleston, S. C. and Emporia, Kan.).

6 Cities reported no change.

Collections were unchanged during February in Fort Lauderdale, Fla. Credit sales increased 19.0 per cent while total sales increased 20.0 per cent—the greatest increase for all cities reporting. Building permits during February broke all records. There is a marked increase in population (and number of business houses) over last February.... Collections, credit and total sales remained unchanged in Jacksonville, Fla.



In Emporia, Kan., collections increased 5.0 per cent due to an increase in employment. Credit and total sales, however, remained unchanged.... Collections and credit sales were off 1.0 per cent in St. Louis, Mo.... Total sales were off 27.0 per cent in Decatur, Ill.—the greatest decrease of any city reporting.

Credit and total sales were off 10.0 per cent respectively in Bay City, Mich. This was attributed to some of the local factories working only part of the time while others were completely shut down... Collections, credit and total sales remained unchanged in Grand Rapids, Mich... Collections were off 32.0 per cent in Mount Clemens, Mich.—the greatest decrease in collections of all cities reporting. This decrease was attributed to unemployment; however, a substantial gain is expected during the next month... Collections, credit and total sales were off in Dayton, Ohio, due to factories working on greatly reduced schedules.

Collections were off 1.4 per cent in Cedar Rapids, Ia., while credit sales were up 15.6 per cent. . . . Collections, credit and total sales were off in Sioux City, Ia.; however,

prospects for improvement are much better than a month

In Las Cruces, N. M., collections, credit and total sales were off 20.0 per cent respectively as a result of the uncertain cotton program. . . . Collections, credit and

HIGH-LIGHTS-TOTAL SALES

26 Cities reported decreases.

5.0% Was the average decrease for all cities.

27.0% Was the greatest decrease (Decatur,

45 Cities reported increases.

20.0% Was the greatest increase (Fort Lauderdale, Fla.).

5 Cities reported no change.

total sales were off in *Borger*, *Tex*. A number of plants have been shut down temporarily but an improvement in business is expected within the next 30 days. . . . Collec
(Continued on page 23.)

Comparative Reports -- By Cities -- February, 1938, vs. February, 1937 [Seventy-Six cities -- representing 25,689 retail stores -- reporting]

	District and City	Collec- tions	Increase or Decrease	Credit Sales	Increase or Decrease	District and City	Collec-	Increase or Decrease	Credit Sales	Increase or Decrease
1.	Bridgeport, Conn.	Fair		Fair		7. Cedar Rapids, Ia.	Slow	- 1.4	Good	+
	Augusta, Me.	Slow	-10.0	Fair	No chg.	Davenport, Ia.	Fair	No chg.	Fair	+ 0.7
	Lewiston, Me.	Slow	- 0.2	Slow	- 0.1	Des Moines, Ia.	Good	+ 1.6	Good	+
	Boston, Mass.	Fair	- 1.7	Fair	+	Sioux City, Ia.	Slow	-2.0	Slow	- 3.0
	Lynn, Mass.	Slow	- 2.9	Fair	+	Duluth, Minn.	Good	+ 2.3	Good	+
	Worcester, Mass.	Fair		Fair		St. Paul, Minn.	Fair	-11.7	Fair	+
	Pawtucket, R. I.	Good	- 9.9	Fair	-15.2	Average	Fair	- 1.9	Fair	- 1.1
	Providence, R. I.	Fair	-2.0	Slow	-15.0	** * * * * * * * * * * * * * * * * * * *				
	Average	Slow	- 4.4	Fair	- 7.5	*8. Las Cruces, N. M.	Fair	-20.0	Fair	-20.0
2	New York City	Fair	- 1.4	Fair	+	Ada, Okla.	Good	+	Good	+
Ref to	Syracuse, N. Y.	Slow	- 2.4	Fair	+	Tulsa, Okla.	Fair	+ 1.1	Good	+ 4.0
	Utica, N. Y.	Slow	- 3.0	Slow	- 3.0	Abilene, Tex.	Slow	- 2.2	Fair	-0.1
	Erie, Pa.	Good	No chg.	Fair	No chg.	Amarillo, Tex.	Good	÷ 0.3	Good	+ 0.6
	Pittsburgh, Pa.	Slow	- 5.0	Slow	- 8.0	Austin, Tex.	Good	+ 0.5	Good	+ 2.0
	Reading, Pa.	Slow	- 4.7	Fair	+	Beaumont, Tex.	Fair	- 0.5	Fair	- 0.1
	Uniontown, Pa.	Slow	- 6.0	Slow	-10.0	Borger, Tex.	Fair	- 5.0	Fair	- 5.2
	Average	Slow	- 3.2	Slow	- 5.2	Dallas, Tex.	Fair	- 1.9	Good	+ 5.6
-						Fort Worth, Tex.	Good	+ 3.1	Good	+ 2.0
3.	Baltimore, Md.	Fair	- 0.8	Fair	+	Galveston, Tex.	Good	+ 0.8	Fair	- 0.6
	Charleston, W. Va.	Good	- 2.0	Fair	+ 1.2	Houston, Tex.	Fair	-0.9	Fair	No chg.
	Clarksburg, W. Va.	Fair	- 5.0	Fair	- 5.0	San Antonio, Tex.	Fair	- 0.6	Fair	No chg.
	Huntington, W. Va.	Slow	- 1.1	Fair	+	Waco, Tex.	Slow	-3.4	Good	+ 2.1
_	Average	Fair	- 2.2	Fair	- 1.9	Average	Fair	- 2.2	Fair	- 0.8
4.	Fort Lauderdale, Fla.	Fair	No chg.	Good	+19.0	9. Denver, Colo.	Slow	- 2.0	Fair	
	Jacksonville, Fla.	Fair	No chg.	Fair	No chg.	Pueblo, Colo.	Fair	- 7.0		+
	Charleston, S. C.	Fair	+ 5.0	Fair	+ 7.0				Fair	-13.0
	Average	Fair	+ 1.6	Fair	+13.0	Salt Lake City, Utah Casper, Wyo.	Fair Fair	- 0.5	Fair	- 2.0
5.	Little Rock, Ark.	Good	+ 1.3	Good	+		Fair	- 1.2	Fair	+
	Emporia, Kan.	Good	+ 5.0	Fair	No chg.	Cheyenne, Wyo.	Slow	-10.0	Slow	-10.0
	Kansas City, Mo.	Fair	- 1.0	Fair	+	Torrington, Wyo.		-15.0	Slow	-15.0
	St. Louis, Mo.	Fair	- 1.0	Fair	- 1.0	Average	Fair	- 5.9	Fair	-10.0
	Average	Good	+ 1.1	Fair	- 0.5	10. Portland, Ore.	Good	+ 0.2	Good	+
6	Decatur, Ill.	Fair	+ 2.0	Fair	+	Aberdeen, Wash.	Slow		Slow	
υ.	Joliet, Ill.	Fair	+	Fair	+	Spokane, Wash.	Fair	- 0.6	Fair	+
	Bay City, Mich,	Slow		Slow	-10.0	Vancouver, Wash.	Slow	- 5.0	Slow	- 1.0
	Detroit, Mich.	Fair	- 2.3	Slow	-26.1	Average	Fair	- 1.9	Fair	
	Grand Rapids, Mich.	Fair	No chg.	Fair	No chg.					
	Mount Clemens, Mich.		-32.0	Slow	-18.0	11. Los Angeles, Calif.	Slow	- 3.3	Fair	+
	Cincinnati, Ohio	Fair	- 1.7	Slow	-14.3	San Francisco and	Good	+ 0.7	Slow	
	Cleveland, Ohio	Slow	- 5.2	Fair	+	Oakland, Calif.	Good	+ 2.0	Fair	- 3.0
		Slow	- 2.4	Good		Santa Barbara, Calif.				3.0
	Columbus, Ohio	Slow	-12.0	Fair	- 9.0	Average	Good	- 0.2	Fair	****
	Dayton, Ohio	Fair		Fair	- 9.0 -15.0	12. London, Ont.	Fair	-10.0	Fair	- 9.0
	Toledo, Ohio	Fair	-10.0	Good	+ 4.0		Slow			
	Fond du Lac, Wis.		- 2.0			Vancouver, B. C.		- 1.1	Fair	+
	Milwaukee, Wis.	Fair	- 8.1 - 6.7	Fair Fair	-11.0	Victoria, B. C.	Fair Fair	No chg.	Fair	+ 2.0
			- p./	Fair	-11.0	Average	rair	- 3.7	Fair	- 3.5



Our Collection Procedure For Hospital Accounts

By H. E. ROUSH

Credit Manager, The City Hospital of Akron, Akron, Ohio

BELIEVE without a doubt, the collection of hospital accounts presents one of the most difficult problems in the credit field. A definite policy cannot be followed due to the many angles with which one is confronted. The City Hospital of Akron has gone forward with what we believe to be an outstanding collection and follow-up system on hospital accounts.

To further acquaint you with this hospital, it is Akron's largest institution and is a non-profit corporation having a Board of Directors made up of Akron's better known business men.

The City Hospital of Akron is not, as the name might imply, a charity institution, and must operate on its earned income from patients. It does receive some help from philanthropists and the community chest; however, a large part of these contributions are consumed in the out-patient clinic. Lack of employment (along with curtailed relief funds) in Ohio the past several years has presented a pathetic picture to the hospital.

About two years ago the Board was fortunate in securing for its administrator and secretary, Mr. Worth L. Howard, who has earned for himself an outstanding name in hospital management, both locally and nationally. After accepting the position, his first task was that of securing capable employees with which to carry out the program he had planned.

Mr. Howard, realizing the necessity for a properly organized credit and collection system, engaged my services (at the time, I was associated with the local Credit Bureau of Akron). As we had no precedent to follow, we established a very workable as well as practical credit and collection system which is now in force at the City Hospital of Akron.

The primary problem of the Credit Department of the hospital operating as a self-supporting organization is that of collecting payment for services rendered. The usual policy practiced in hospitalization does not include the private or semi-private patient in the credit set-up. The real credit problem arises when the patient is (or supposedly is) indigent. This is very important for it may mean the loss of hundreds of dollars on a patient.

The length of time a patient may be confined can never be determined when admitted. Consequently we must take into consideration all available facts and prepare for the unexpected. The patient, if physically able, is subjected to routine questioning (in a similar fashion as one who is applying for the usual mercantile credit). If he is indisposed, a relative or close friend will furnish information necessary to complete the patient's history. (The history is comparable to a credit application.)

After the history is completed, one of two facts is established. Either the patient is able to pay or is indigent. In the first instance, when the patient is able to pay, the credit problem is merely a routine matter of payment arrangements. The second case, that of an indigent patient, is the true problem of the hospital's credit department.

After indigency has been established to our satisfaction, we immediately notify the private physician, giving him all facts pertaining to the financial status of the patient and asking his permission to turn the patient over to house service. The charity authorities will not accept any responsibility in a case where a private doctor is employed.

The above procedure eliminates a doctor's fee and still enables the indigent patient to have expert medical care and attention. After the above routine is completed, the patient's case is referred to the City Charity Department for further investigation.

The Charity Department either accepts or rejects the responsibility for payment of the account. If they accept the case our work with the individual is completed, but if they reject we are again confronted with the task of finding a source of payment.

Our first is a relative or friend who is willing to assume the responsibility. If this is not possible we must extend a time payment schedule pending the patient's return to work.

We have devised what we believe to be a very efficient follow-up system after the patient has been discharged from the hospital. One must realize that, besides the hospital account, the patient usually has doctor bills and other past due obligations caused by illness and loss of income.

A too severe collection system would only antagonize the patient so we have decided to weigh the facts of the case and more or less put the individual on an honor basis. By this I mean, our letters deal with the patient's self-respect as you will note after reading our form letters Figures 1, 2, 3, and 4.

Our collection procedure consists of two statements on the account, the first following discharge of the patient within 10 days, and the second 30 days later. If no response is received we follow up with our past due card, Figure 5. As you will note, this has allowed the patient or guarantor approximately 45 days after discharge to make a voluntary payment on his account. After allowing 15 more days to lapse we send our first letter, Figure 1. This procedure is followed until all 4 of our letters have been mailed to the debtor.

About 10 days later, if no cash or request for extended time is received, we forward the account to the Akron Credit Bureau for collection. This procedure enables us to clear our active files of all dead accounts and it also

(Continued on page 25.)

THE CITY HOSPITAL OF AKRON MARKET AND ARCH STREETS AKRON, OHIO

SECRETARY AND ADMINISTRATOR WISTE L. HOWARD

BOARD OF TRUSTEES

THE CITY HOSPITAL OF AKRON MARKET AND ARCH STREETS AKRON, OHIO

TARY AND ADMINISTRA-



We are sincere in our belief that you meant to keep your agreement with the hospital, but for some unforeseen reason you have been unable to do

It is our desire to cooperate with you in maintaining a good credit record, and in a friendly way we ask that you promptly make a payment on your

Very truly yours,

THE CITY HOSPITAL OF AKRON

H. E. Roush Credit Manager

HER LES

(1)

A report from our auditors shows that your account is unpaid and has been referred to this office for collection.

If you were in our presence, at this writing, and we were to ask you why you have not paid your hospital account, you would give us a full explanation.

We, therefore, present the matter of settlement to you and will expect a call, in person, or a payment on the account.

Very truly yours,

THE CITY HOSPITAL OF AKRON

H. E. Roush Credit Manager

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BOARD OF TRUSTERS

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THE CITY HOSPITAL OF AKRON

MARKET AND ARCH STREETS AKRON, OHIO

SECRETARY AND ADMINISTRATOR WORTH L. HOWERD

(3)

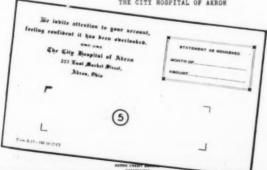
We are disappointed that you have failed to give us an explanation or make a payment on your hospital account.

If our positions were reversed and we were owing you money and failed to pay any attention to your requests for payment -- WHAT WOULD YOU DO?

Why not mail us a remittance today? It will be greatly appreciated.

Very truly yours,

THE CITY HOSPITAL OF AKRON



THE CITY HOSPITAL OF AKRON

MARKET AND ARCH STREETS AKRON, OHIO

WORTH L. HOWARD

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We had every reason to believe you were sincers when you made us a prosise to pay, however, your account has become quite delinquent and you have failed to fulfill that areaste.

If for any reason you do not feel that this account is just and correct, will you please get in touch with the writer within the next five days? Otherwise ee, as members of the Akron Credit Furesu, will be obligated to turn this account over to them for collection.

From that time om the account would leave our jurisdiction and it would be necessary for you to make future errangements direct with them. We know you do not went this to hoppen and will expect either a payment or a personal call from you.

Yours very truly,

THE CITY HOSPITAL OF AKRON

H. E. Roush Credit Wanager

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Oil Credit Cards--Where To?

By E. R. SILER

Division Credit Manager, Socony-Vacuum Oil Co., Inc., St. Louis; Chairman, Petroleum Refiners Division, National Association of Credit Men

HE Department Store Credit-Sales Manager had just asked for our "outside slant" on a difficult "Returned For Credit" problem. Not knowing how to answer, we used the old defensive trick and sparred for time by inquiring: "How would you like to approve your daily run of applications without ever seeing your applicant, and with the knowledge that each could purchase, because of this one approval, at from 50 to 70,000 stores in the United States?"

"I'd go nuts!" was the laconic reply.

But he wouldn't. Like the red-blooded American he is he would decide that if the job needed to be done he could do it, and if others were doing it he was doubly sure he could do it. The search for information on the subject of oil credit cards would be under way at once.

In due time, he would accumulate a bewildering mass of information on the subject, but would find policies and practices ranging far and wide. He would discover that for the first time a really comprehensive survey was now under way. At the Annual Conference of the Petroleum Refiners Division of the National Association of Credit Men at Indianapolis last Fall, a special committee was authorized to make such a survey, and to report back its findings at the next Conference which is to again meet in Indianapolis on October 24-26 of this year.

A detailed questionnaire-covering range, period of issue, products, control methods, costs, losses, customer solicitation, bookkeeping, etc.—was recently mailed out to all oil companies in the United States known to be issuing credit cards. If any were missed a request for a blank should be sent to Mr. Roy Colliton, National Association of Credit Men, St. Louis, who is assembling the data for

Some information is being requested on the basis of a three year period, which should help to determine certain interesting trends. Until the survey reveals further facts, our friend would probably classify his own findings somewhat like those which follow.

The Beginning

In some area, some oil company desired to allow special price discounts to certain commercial accounts, and so issued "courtesy cards" for identification purposes. "Quick on the trigger" competition followed with fewer and fewer restrictions on the recipients. Price concessions went out of the picture, but sales promotion through the use of such cards spread like wildfire. And so the public learned of a new credit service and the oil credit man had a new problem on his hands. Omitting entirely the local jobbers, over a hundred companies now issue such cards.

Why Credit Cards?

Advantages to the customer in easily maintaining auto-

mobile costs and tax records, reduction of cash necessary on trips, and the general convenience for all members of the family are obvious. And of course, there is always the convenience of a charge account when pay days are too far apart! The claim that a charge customer buys more, is not so likely to buy another product, and the "easy-to-put-your-finger-on" customer-acceptance proof are good reasons for the oil marketers to favor credit cards.

The fact that the oil credit men as a whole feel that the costs are high and the practice rather unsound economically because of the scattered and constantly changing outlets, is lost in the general competitive shuffle. Most of them are now therefore actively seeking the most profitable credit card policy and procedure.

Applications

Telephone books, car license rolls, dealer community lists, club memberships, church rosters, and "what have you" have been used for issuing cards. As a whole, though, records on costs and results have, in most areas, eliminated such methods and produced some sort of application for credit.

From here on practices vary. Should the application be made out by the customer or the dealer, be made with or without the customer's consent, be signed by the customer or not signed, be mailed direct to the office or transmitted through the dealer? Should credit investigations be made on a positive or negative basis-complete trade or mercantile reports-or automatic approval if no credit bureau derogatory information? Where To?

Territory Range

Anything and everything goes! Some cards are restricted to a city, county, portion of a state, to certain states, while those of most major companies are good all over the United States. Some companies restrict customers' buying on their cards to special outlets displaying their credit sign.

Credit men of smaller concerns complain because their customers leave them for cards of larger companies on account of the greater coverage, and credit men of the larger companies pull their hair because they inherit so many accounts who want to travel far, high, wide and handsome -and pay only if necessary! Shall credit cards be restricted to areas, and, what's an area? Where To?

Products

Service stations handle a multitude of products. Most customers want to properly use their charge privileges, but there are always others ready to misuse them. Some concerns restrict credit card customers to gasoline and oil, others include other petroleum products only, others

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may or may not include car washing, polishing, a long list of specialties, heaters, batteries, small car repairs and other automotive services.

Tires (usually mounted) may be included or not, may or may not be restricted to number, value or size, and tire purchases may or may not be punched or endorsed on the credit cards. Again some companies restrict credit card purchases to products purchased from their own company while others have heard the customer's query as to how he is to know the difference and make no attempt at such regulations. So, on products—Where To?

Expiration Dates

Other policies determine this one or this policy determines others—take your choice! Cards are usually issued monthly, quarterly, semi-annually or annually. Some companies have different types of cards with varying expiration periods. The "Quarterly vs. Annual" question has been for some time (and still is) a source of lively discussion and debate. "Better control" say the Q's, "Lower overhead costs" say the A's. Where To?

Account Control

"Ah," thinks my friend. "Now for the secrets of the trade!" But—there are none! Short expiration periods are chiefly relied upon by one group and careful credit approvals only by another. Bulletins to the field of all sizes, shapes, and frequencies are only partially used and relied upon. On a national basis, bulletin costs are prohibitive.

By some system of outlet identification and a watch on incoming charges, undesirable customers are traced, cards requested and cancelled. Some companies estimate 90 per cent to 95 per cent of their customers cease buying when so requested though the card may not be returned.

Cards are usually a different color each issue, may or may not have the code number changed. Some companies issue their cards to certain automotive units, thereby making the license number the determining factor, and others show the license number if they have it or allow the customer to insert it—using it only as an added identification and protection. The "best" control system? Where To?

Office Costs

Accurate information is scanty, to say the least. The survey report in October should be highly interesting on this score. At the moment, leaving out the advertising or marketing value, the overhead and bad debt costs which are available vary all over the lot. On a per gallon of gasoline sale basis such reports range from 1c to 6c per gallon. On a per charge ticket basis such costs have been reported from 2c to 6c per ticket with rumors of some even higher. Of course there are many intangibles which make accurate costs difficult. But without such information—Where To?

Bad Debt Losses

Bad Debt losses are only one of many factors but they do represent a cost which can easily be seen and computed. Again a wide range has been reported—depending upon sales promotion policies and credit investigation practices. Former losses of as high as 5 per cent have been replaced with more of them ranging around 1 per cent or under—net bad debts as against credit card sales.

But are these scattered reports truly representative? And, since most issuing companies sell through their dealers with a very small mark-up, how high can these losses be and still stay within the range of profitable business? Where To?

Like many another problem, only the future holds the answer to the most constructive and permanent credit card policies and procedures. But the future is also determined by today's thinking and planning. Where To—On Credit Cards?

The Modern Credit Manager Must Be Promotional-Minded as Well as Collection-Minded

(Continued from page 6.)

"What should policies of the credit department be today?" In attempting to answer this question it should be borne in mind that any merchant is desirous of getting all the good business that is available, but at the same time his policy should be such as to enable him to meet a reverse in business conditions without too great an upset. Hopefully anticipating improved conditions, I believe:

1st. The trend today is definitely toward shorter terms on installment sales, and larger down payments. Such a condition is helpful not only from the viewpoint of the merchant, but also from that of the buyer. Both can adjust their conditions in a shorter period of time when a recession occurs.

2d. Definite efforts should be made to avoid overselling, or to prevent over-buying for the same reason that shorter terms are desired.

3d. Caution should be taken to avoid a lax collection policy. It is true that conditions of depression have caused many merchants to be more liberal in respect to collection of their accounts. As better conditions return, however, definite efforts should be made to cause these customers to return to a schedule of payments which conforms with your policy.

4th. Progressive credit sales managers should be continuously alert to the possibilities of increasing the business of their stores by reviewing inactive accounts, increasing sales to the better accounts, and to getting new good accounts.

5th. Merchants should not be too hasty to condemn and forget the customer whose paying record is temporarily unsatisfactory, due to unemployment or other conditions brought on by a recession. Many such a customer is again reemployed and quickly reinstated as a good credit risk. Credit bureaus should aid you in this respect.

6th. Progressive credit sales managers will not overlook the good will building opportunities that exist in their departments.

7th. Every credit sales manager should encourage and support community credit policies designed to improve the standard of credit business. Competition in terms is deplorable, and it does no one any good.

8th. Credit bureaus are becoming an increasingly important part in every community's credit business. Wise credit managers will cooperate in every respect, realizing that bureaus can only give what they receive.

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6 Youngstown, O. Detroit, Mich. Crand Rapids, Mich. Milwaukee, Wis. Springfield, III.* 43, 43, 44, 43, 43, 44, 45, 44, 45, 45, 44, 45, 45, 45, 45																	-		1		_	-		_			1 35.0	369
Detroit, Mich. Grand Rapids, Milh. Grand Rapids, Milh. Milwaukee, Wia. Springfield, III.* S11. Springfield, III.* Springfield,	-			1		1	1	1					1				1				10.0		7.5	15.0				_
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Milwaukse, Wis. Springfield, III.* 314 438 15.3 31.6 42.8 15.0			38.0			44.1	46.9	42.7	-	-	-	-	-	-	45.1	65.0	30.4	39.1	414	36.8	12.0	15.2	9.9	14.5	21.1	9.1		-
Springfield, III.* 31.4 43.8 15.3 31.6 42.8 15.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0			439	51.5	393	48.8	56.1	42.2	190	20.9	18.3	20.9	21.3	20.6		44.8	-	-	48.8	-	-	8.8	-	-	7.4	-	931.0	66 4
Duluth, Minn. St. Paul, Minn. St. Paul, Minn. Minneapolis, Minn. Davenport, Ia. Deswenport, Ia. Des Moines, Ia					1			1	_	_	-			-	28.0	29.0	26.9	29.5	30.0	29.0	19.7	26.0	11.5	18.1	23.8	14.1	4 30.8	31.3
St. Paul, Minn. Minneapolis, Minn. Minneapolis, Minn. 50.8 53.0 44.9 53.6 56.7 50.0	-		-	-	-	-	-	+	-	241	-	217	23.2	202	-		-	-	-	-	-	_	-	-	-	E	-	_
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7 Davenport, Ia. Cedar Rapids, Ia. Solution 1. Solutio								-	18.1	21.6	12.2	19.2	23.1	13.0					1		_	-	-	-	-	-	9 -	_
Cedar Rapids, Ia. 50.0 55.2 44.3 50.6 60.9 49.3 210 230 190 23.7 24.4 23.1		_	49.9	50.8					15.9				1		-	-	-	-		1	13.7	13.8	13.6	13.6	15.6	11.7	5 -	-
Sioux City, Ia. Omaha, Neb 39.6 - 43.1 45.0 34.0 14.8 22.0 14.0 16.0 22.0 14.0 - 36.0 36.0 36.0 36.0	1		50.0	55.2	443	50.€	60.9	49.3	21.0		1	23.7	24.4	23.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sioux City, Ia. Omaha, Neb 39.6 - 43.1 45.0 34.0 14.8 22.0 14.0 16.0 22.0 14.0 - 36.0 36.0 36.0 36.0		Des Moines, Is.	38 7	42 5	38.6	37.3	440	36.1	-	113	-	-	12 1	-	50.5	510	470	460	49 0	390	-	_	_	-	-	-	-	_
Omaha, Neb. — 39.6 — 43.0 — — 11.9 — — 13.6 — 40.8 43.7 35.0 41.0 45.8 36.6 — — — — — — — — — — — — — — — — — —									14.8		1	160	1	14 0			1	_	1	1	-	-	-	-	-	-	-	_
8 Tulsa, Okla. 8 San Antonio, Tex. 9 Salt Lake City, Utah Casper, Wyo. 48.7 50.0 47.5 48.5 49.0 48.0 51.2 56.4 48.1 20.9 25.4 17.8 22.0 27.1 17.1			-			-		1	-	-	1	-						41.0			-	-	-	-	-	-	-	_
8 San Antonio, Tex. 39.8 42.8 36.9 39.4 41.7 37.0 10.4 11.6 9.2 10.5 12.0 9.1 40.4 44.8 35.8 45.7 46.0 45.1 10.0 10.4 9.6 9.9 10.7 86 Denver, Colo. 9 Salt Lake City, Utah Casper, Wyo. 48.7 50.0 47.5 48.5 49.0 48.0	_		60.0	62.0	53.5	55.3	63.5	51.0	18.0	24.5	13.1	17.0	244	14.0	-	-	+	-	-	-	-	-	-	-	-	-	-	-
Denver, Colo. 9 Salt Lake City, Utah Casper, Wyo. 48.7 50.0 47.5 48.5 49.0 48.0	8			-	-		1					1	1	-		1		1			10.0	10.4	9.6	9.9	10.7	8.6	r -	_
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Casper, Wyo. 48.7 50.0 47.5 48.5 49.0 48.0 — — — — — — — — — — — — — — — 32.0 — — — 37.0 — — — — — — — — — — — — — — — — — — —					1										_	-	-	-			-	-	_	-	-	-	-	_
Portland, Ore. 39.6 55.5 35.5 39.3 50.6 35.0 12.3 14.2 11.5 12.8 14.2 12.1 38.5 40.0 37.3 36.6 39.5 39.0											1	-	-	-	-	320) -	-	370	-	-	-	-	-	-	-	-	-
Spokane, Wash. 43.1 46.1 40.1 46.5 48.1 44.9 11.1 12.1 10.2 13.0 13.3 12.6 36.0 46.0 26.1 34.6 42.0 27.2 — 16.0 — — 16.0 — San Francisco and Oakland, Calif. Los Angeles, Calif. Santa Barbara, Calif. 49.0 56.1 35.9 46.5 58.6 35.5 — — — — — — — — — — 54.6 71.0 41.2 55.9 74.2 46.6 — — — — — — — — — — — — — — — — — —	-		_	_	-	_	_	_	_	14.2	115	12 8	14.2	12 1	38.5	-	_	366	_		-	-	-	-	-	-	0° 7.2°	10.3
San Francisco and Oakland, Calif. Los Angeles, Calif. Santa Barbara, Calif. 41.1 50.0 35.2 39.0 49.2 34.0 16.1 20.9 12.7 15.3 19.1 10.5 34.9 46.1 27.5 37.0 46.8 30.1 13.3 27.0 9.0 12.9 25.7 9.1 10.5 20.2 16.7 18.8 22.8 17.9 52.3 54.5 50.2 57.0 59.3 54.6	10																				-	160	-	-	16.0	-	017.0°	231
Oakland, Calif. F 41.1 30.0 33.2 39.0 49.2 34.0 16.1 20.9 12.7 15.3 19.1 10.5 34.9 46.1 27.5 37.0 46.8 30.1 13.3 27.0 9.0 12.9 25.7 5.1 Los Angeles, Calif. 56.9 60.1 51.1 59.2 62.8 51.0 16.9 20.2 16.7 18.8 22.8 17.9 52.3 54.5 50.2 57.0 59.3 54.6 — — — — — — — — — — — — — — — — — — —		San Francisco and		$\overline{}$	_	+	+	1	-	_	+	+		+	+	1	-	+	+	_	_		-	120	-			
Santa Barbara, Calif. 49.0 56.1 35.9 46.5 58.6 35.5 - - - - - 54.6 71.0 41.2 55.9 74.2 46.6 - - - - - -		Oakland, Calif.			1	1		1			1			1		1						21.0	9.0	12.9	23.1	2.1	7	-
									16.9	20.2	16.7	18.8	228	17.9								_	_	-	-	-	-	-
	-		13.	100.	. 55.	_	_	_	-	-	1	12.7	12 9	122	_	7 7.0	11.2	_	_		_	-	-	122	141	112		-
12 Vancouver, BC. 55.7 55.4 46.1 64.9 70.2 59.5 24.8 29.4 20.1 25.9 28.9 22.9 39.0 40.0 38.0 35.5 41.0 30.0 - 16.0 16.2	12		55	7 55	4 46					29.4	20					400	380						-	1			0 17.0	-
Victoria, B. C. 60.5 61.0 60.0 60.7 61.4 60.0 23.4 31.0 15.8 20.7 23.6 17.8 44.2	12		60	5 61	0 60	0 60	7 61	4 60 0	234	310	15.8	20	236	178	35.0	70.0	30.0	-			_	1	-	_		-	-	-

^{● 1938} Figures not received at press time ★ Open and Installment accounts combined

and Dyeing Supplies

Forty-Nine Key Cities Cooperating with the Research Division

[°]Installment 1Furriers

⁵Laundry ³Heating

⁵Lumber

⁶Paper and Paint ⁷Fuel

ebruary, 1938, Versus February, 1937=

ES	1	ELRY	ST	ORES		1	MEN'S CLOTHING STORES							DE S	TOR	ES		AUTO ACCESSORIES, TIRES, GAS AND OIL							MISC	ELL	LANEOUS				
7	1	8		1937			1938			1937			1938			1937			1938			1937			1938			1937			
·		LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.		
-	1	4 50.3	55.7	59.7	51.8	-	52.3	-	-	53.1	-	-	57.3	-	-	59.4	-	-	-	-	-	-	-		643/3			64.14			
5 -	-	-	-	-	-	-	-	-	-	-	-	58.1	73.6	50.0		54.3	52.0	-	67.2	-	58.8	65.0	52.6		73.66						
9 10	5	-	_	10.9	_	_	44.7	_	_	43.5		50.1	58.1	42.0		80.8 58.3	47.0	_	_		_	_	_		81.9 ^z						
		-	-	-	-	43.5		36.0		39.0	-	2.2.1.	55.0	-		55.0	-	-	50.0	-	54.4	58.0	50.9		80.0Z						
-	1	0 -	-	-	-	53.0	64.0	41.6	49.5	68.4	41.5	67.7	77.2	58.2		83.3		-	73.0	-	68.8	69.9	67.7	60.0	68.016			7.2.0			
-		-	54.0		42.8	42.2	47.0	27.5	400	58.5	- 30 1	-	72.0	-	53.7	60.5 65.0	47.0	-	67.3	-	-	79.1	-	37.6	54.34		40.2				
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7 1	0.4		-	-	-	42.7	46.1	39.0	39.2		33.0	-	-	-	-	-	-	-	_	_,	_	_	-	-	_	-	_	-			
6		3 -	-	28.3	-				345			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.72	41.22	41.0 ²		
1.2	0.5	-1-	-	-	-		56.0		47.2			54.0	63.0	45.0	53.6	64.2	43.1	76.2	76.9	75.6	79.6	78.7	80.6	65.8	89.311	30.35					
6	-	9 16.1	28 3	51.1	175	35.5	39.1	33.4	40.5	42.5	37.6	_	_	_	=	50.3	_	66.9	80.8	53.0	635	82.5	440	_		_	54.4 ^z	56.4Z	524 ^Z		
2.6	-	0 28.0	-			43.9	53.0	40.3	50.4	58.2	43.6	-	43.7	-	54.4	62.1	49.6	-	00.0	33.0		-	-	54.0	73.6 ²	3902	63.0	74 5Z	6117		
-	-	8 38.		56.1		45.1	48.6	41.7	48.1	48.1	48.1	55.7	61.0	50.4	61.9	65.7	57.0	-	-	-	-	-	-			47.0	52.7		40.0		
2.0	9.7		-	-	-	-	42.0	-	-	50.0	-	-	-	-	-	-	-	-	-	-	-	-	-	_	-	_	-	-	-		
9.2	17.0	1.1 35.0	36.9	37.0	36.8	34.1	31.4	1	34.2		31.2	_	_	_	_	_	_	_	33.0	_	_	43.0	_	50.0	60.Iª	50.02	67.5	80.4	63.02		
-	-	0 -	41.	46.5	37.0				52.5			542	58.3	50.1	55.8	60.8	50.9	-	-	-	-	-	-	-	-	-	-	-	-		
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18Grocery

¹⁴Stationery, Office Supplies ¹⁵Florist

16Hardware

19Drugs

²⁰Sporting Goods

vision United States and Canada -- Contribute These Figures Monthly



Tell Your Story To the Buying Public

By HOMER G. HEIDT

Secretary and Manager, Lansing Credit Exchange, Lansing, Mich.

HE Michigan cities of Lansing and East Lansing total approximately 120,000 population and have a trading area of from twelve to eighteen miles. Within this area, a number of small towns and villages are located and the whole is considered a very rich agricultural district.

The Lansing Credit Exchange is a corporation owned and operated by local business and professional men. The intent and purpose of the management is to make this trading area a better place in which to do business—both from the seller's and buyer's point of view.

Before proceeding with the plan described here, many ideas were discussed regarding the best way to accomplish the desired results, as there seemed to be no standard practice used by credit bureaus which we could adopt. Finally, we decided to issue six pieces of literature covering a five-year period, with an expenditure not to exceed eighteen thousand dollars. After this decision was made, we employed Mr. Oscar Jackson, of Lansing, whom we considered one of the best posted advertising men in this field, to help us work out what we had in mind.

In September of 1935, the first piece of literature in the series was ready for distribution. This was entitled simply, "A Message from Lansing's Friendliest Organization." It was printed attractively in three colors, green, brown, and vermilion. The text matter was set in a type pleasantly readable, while the Credit Exchange views, reproduced by lithographic process, were highly photographic in quality. This folder was a "Primer of Credit Exchange History" and gave a word picture, as briefly as possible, of credit-keeping activities from the antique "dead beat list" to the compiling of modern, impartial and complete credit exchange records.

This folder also stressed the value of our "live and let live" collection methods and explained our Budget Planning and Counsel Service. This copy was of necessity longer than that used in the succeeding folders, but in the light of results attained, we have become convinced that people will read any story that is convincing and valuable to them.

This folder was delivered by uniformed Western Union messengers by what is known as the "ring, wait and deliver" method to every home in Lansing, East Lansing, and smaller towns in the trading area, as well as all business places. While this method may sound somewhat expensive, it is really an economy when one considers the cost of a mailing list plus the preparing of literature for mailing. It was decidedly effective. In the rural districts about nine thousand were delivered by addressing to local rural and town box holders. The total distribution of each consumer piece was about forty thousand.

The satisfactory results obtained from the first piece of literature increased business and convinced us we were on the right track. Co

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In June of 1936, our second piece of literature was issued. This was directed to membership prospects only. On the front cover we declared "Our Business is to Change Red to Black," and by a brief amount of reasoning copy, pointed out that the difference between success and failure very often lies in the proper handling of local credits.

Immediately after delivery, beneficial effects were very noticeable in the number of inquiries received in the Credit Exchange, the number of new collection accounts received, and an increase in membership. While the campaign was running into considerable expense, business was increasing, we were well within our budget, and so felt justified in continuing.

In November, 1936, the third piece, having the same dimensions as the second, but known as "Hello World" was delivered by Western Union, covering the same territory (and in the same method) as the previous two pieces of literature. It is a very beautiful piece of four color printing. The paper stock used, as in all of the literature, was a very high quality, and it proved a most interesting and instructive piece of work.

This, like the two previous pieces of literature, was well accepted by both the buyer and seller. Compliments received from the cities, small towns, and agricultural territory were beyond our original expectations and we felt encouraged to carry on with our original plan.

The fourth piece of literature was ready for distribution in December, 1937. The caption, "Through the Business World Go Many Strands of Personal Credit," was our theme which impressed individuals with the importance of keeping their credit records in good condition. This was the same size as the previous two pieces. It is a four color job, beautifully arranged, and without a doubt it is the most attractive, the strongest and best piece printed.

The comments and results were highly satisfactory. Delivery was made, as on all the others, with the aid of Western Union. An increase in number was necessary, due to the rapid growth of the Lansing trading area, which has built up good will and increased the membership. Best of all, we have in large measure eliminated the false idea that the Credit Exchange is where the buying public gets a "black eye."

The total expense for the four pieces to date is approximately ten thousand dollars, all of which has been made from business created by this publicity we have given our Credit Exchange. We now occupy three thousand

square feet of floor space where forty employees are accommodated.

Recently we have equipped both the Reporting and Collection Departments with new file installations, desks, typewriters, etc. In addition we have been able to pay our employees a reasonable wage and a bonus each year. During this period we have also built up a substantial reserve and increased the membership to over four hundred members.

Every day we are favored with calls from the consuming public in the city, the small towns and rural districts, regarding their credit rating, which was instigated by the printed matter and advertising they have received from us-

We always have a surplus supply printed so that every newcomer to the city of Lansing receives one of these folders at his home—another feature which has brought forth many favorable comments and expressions of goodwill.

We credit our results largely to this advertising campaign which has benefited every buyer in the Lansing area and improved conditions for all business and professional men without added cost to them. No doubt our policies had a great deal to do with it, but we cannot overlook the pioneer work that has been accomplished through Mr. Jackson's untiring efforts to put this proposition over in a clear and understandable way.

Some mistakes may have been made, because it was pioneer work, but we expect the last two pieces of literature (which are to follow) will be the best of the entire group.

Passing of W. M. Howard

W. M. Howard, Credit Manager of Loveman's, Inc., Chattanooga, Tenn., passed away on March 3. While he had been ill for quite some time, he was still active in the business

He had been Credit Manager of Loveman's for over 20 years and stood very high with his employers (as well as the entire community).

Mrs. Elmer R. Sloan, who has been assistant to Mr. S. Marks of The Vogue (Chattanooga), succeeds Mr. Howard as Credit Manager of Loveman's.

Twenty-Sixth Annual Convention—Pittsburgh, Pa., June 21, 22, 23 and 24, 1938. Hotel William Penn. Make your plans now to attend.

THE BIG LEAK

More accounts are lost through inability of the creditor to locate the debtor than from any other cause.

We're specialists in locating "skips" and securing their employment.

Credit Managers and collectors will profit by writing today for particulars.

THE TERMINAL MESSENGER SERVICE

Stuart Building
Eleventh Year

Lincoln, Nebraska

Billboard Posters



The National Office has a limited supply of 24-sheet posters for use on billboards to put over the "Pay Promptly" idea.

Attractively lithographed in colors, they are furnished imprinted with the name of the local association (1 line).

When ordering specify if Poster "B" or "C" is desired. The price of \$5.00 each includes the local imprint. Order from the National Retail Credit Association, 1218 Olive St., St. Louis, Mo.



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CREDIT DEPARTMENT LETTERS

By DANIEL J. HANNEFIN

OURTESY in a letter has frequently held a customer and made a missionary for the store. Likewise, a discourteous letter has often aroused the enmity of a customer." We take as our text the above sentences from the article on page 3 by Mr. Edward Meier, Credit Manager of Marshall, Field & Company, Chicago. And we commend this article to you as one well worth reading.

To make your letters effective, make them not only courteous-make them friendly. Have you ever noticed that many credit managers are "good mixers"? That they make friends easily and "wear well"? But when those same men sit down to write a letter, it is as flat as a bride's first cake. It isn't because they don't know what to say. It's because they are afraid to say it. That is, in the same manner as if they were saying it in ordinary conversation.

So-called "Business English" is to blame. Too many letter writers are following the style and phraseology of someone else-perhaps the "Business English" they learned at school. Thus they say "in regard to the matter I wish to state"-instead of going right ahead and stating it! Too many are afraid to "let themselves go" and write human letters. They are afraid of what "the Boss" will say-of what their competitors will say. Don't worry on that score! The Boss will probably compliment you and your competitors will probably copy your letters!

Speaking of friendly letters, I submit the Fuhrman letter (Figure 1) as a letter which exemplifies the friendly spirit. This letter was sent to us by Mr. Emil Fuhrman with this comment:

"I have been reading your articles and the contributions of your readers each month. In fact, I make it a prac-

Passing of Ralph Froebel

Just as we were going to press came the saddening news of the sudden death of Ralph A. Froebel, Superintendent of the Collection Department of the San Antonio Public Service Co., San Antonio, Texas. He passed away March

31, having been ill but two days.

A Past President of the San Antonio Retail Credit Association, he had also been a director for many years.

"Ralph," as we of the National Office knew him, was a member of the Texas delegation aboard the "Convention Special" en route to Spokane last June. During those three days he endeared himself to

the members of the National Office staff by his spontaneous and straightforward, friendly manner and by his ever-present consideration of others. We have lost a good friend.

tice to look for them and to get what ideas I can from the letters. In view of this fact, I feel obligated to make my contribution. This is a letter which we have used on old customers-who have become delinquent-with good

Figure 2 is a friendly letter of invitation to "newcomers." The insert in Figure 3 provides a clear explanation of terms and, at the same time, puts the strength of the Association behind it as a community movement.

Figure 4 and Figure 5 are both inactive account letters of the friendly type. Notice, in each, how the sales appeal is adroitly worked into the closing part of the letter.

Author's Note: We are always on the lookout for new and different letters, especially those from different lines of business. Please send them in. We'll be glad to publish them with your comments.

We have noticed that department store credit executives always cooperate with us by sending in their letters. Why can't others do this? Especially those in different lines?

Twenty-Sixth Annual Convention-Pittsburgh, Pa., June 21, 22, 23 and 24, 1938. Hotel William Penn. Make your plans now to attend.

Speed Up Your Collections

(with these 288 proven collection plans and

Cut Your Office Overhead

(with these 42 tried and tested office short

Locate Your Skips

(with these 51 'tracing tricks)

All of the above are found in

"PROVEN PLANS TO SPEED COLLECTIONS AND TIMELY TIPS TO TRIM OFFICE OVERHEAD" by David Morants, president, Retail Credit Association, Kansas City, Kansas, with a record of 25 years' experience in collecting money and retaining good will.

ing good will.

In addition, it contains 470 collection paragraphs, classified according to appeals to pride, fear, sense of fairness, etc., and numbered for convenient use—including 147 attention-getting collection letter openers and 204 successful coin-coaxing closers:

10 ways to use the telephone to improve collections; 4 ways to locate debtor's job; an effective plan to collect from farmers; how to get the money on bad checks; and a wealth of other material along the same line.

This is all contained in a Letter and Paragraph book (loose leaf) with full instructions on how to use it, as well as a unique Supplement and Idea File providing a convenient place for your new ideas, clippings, etc.

This wealth of tested, successful, cash-producing collection and time-, labor-, and postage-saving ideas, plans and letters is yours at the unbelievably low price of \$5.00.

The sconer you send for it, the sconer you can start using it in your business to speed up your collections, cut your over-head and locate your skips.

National Retail Credit Association 1218 Olive St. St. Louis, Mo.

Fuhrman Brothers

Department Store

March 10, 1988

Omeha, Nebraska

Lith & Dougles Streets

(2)

Name Address City

Dear Fra.....

I wonder would you be kind enough to advise me with reference to a problem which has given me much

(1)

What would you do with a charge customer who has been a patron for yours and who you value as a friend as well as a customer and who new owes for November, four months ago.

Our terms are, "Purchases of one month are due be the tenth of the following month," We try in every way possible to have our customers adhere to these terms with reasonable promptness.

I am enclosing a stamped addressed envelope. Won't you please use it to suggest what can be done with this problem? Won't you tell me what I can do in a friendly way to get this charge customer who owes §..... to clear these purchases?

May I thank you now for your kind assistance?

Very truly yours,

FUHR! AN BROTHERS

We are glad to know that you are now making Omaha your home, and extend our wishes for much happiness and every success in your new surroundings.

Herzbergs

We invite you to visit our seven floors devoted to women's and children's fashions. For twenty-six years the well dressed woman who likes to lead in fashion rather than follow, has been our customer

To add your name to our steadily growing list of friends would indeed be a pleasure. Do give us the opportunity soon! Welcome to Cmaha and to Herzbergs

Cordially,

President

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(3)

A Charge Account is a monthly accommodation, due in full the first of each month and payable by the tenth or according to contract.

The Merchants, Professional Men and other granters of credit of this city who are members of this association, have adopted this as a Community Credit Policy and six your cooperation in maintaining

RETAIL MERCHANTS ASSOCIATION

ASSOCIATED RETAIL CREDIT MEN OF TULSA



COTTRELL'S

621 Sixteenth Street COLORADO

(5)



May 15, 1937.



We value very highly the fact that you favor us with your patronage. When you fail to vicit us for a few months, we are deeply concerned.

Is anything groun? Have we displeased you? Is there any catter that I personally can adjust to your satisfaction? If there is, I wish you would jot it down on the bottom of this letter and small it back to me.

Battor yet, won't you come in soon to see the lovely summer clothes and accessories throughout this modern families store!

Very cordially yours,

A Kline

It has been brought to my attention that it is some time since you have used your charge account here.

Be value your patronage and good-will highly. If either our merchandise or our service has fallen short of the standards you have a right to expect, I would sincerely appreciate your bringing the matter te my attention.

I'm especially concerned with the fact that you're almost a stranger here because our new Hert Schaffner & Marx Fall collection has just errived. I am arxious to have you come in the store and see the smart new suits and topcoats which are now ready for you.

Ideas like Glen-O-Plaids, the new pattern sensation - the "y-Line" model with its broader shoulders and traced waistline - Triple Test Morsteds, the country's ace clothing values are here in a wide selection.

But, most important, we want you back as a regular customer. We'll do our best to remedy anything that's wrong, if anything has gone wrong.

Won't you step in the week?

Mass Em. E. Glass, Secretary Cottrell's - "The Men's Store"

& MARX CLOTHES SCHAFFNER RT



Credit -- As Seen Over The Woman Credit Manager's Desk

By MRS. ZELLA HOLMES*

Credit Manager, Mid-West Printing Co., Tulsa, Okla.; President, Tulsa Credit Association; Secretary-Treasurer, Seventh District, N.R.C.A.

A RE credits any different over a woman's desk than over a man's? Unless in some very specialized industry—particular to only women,—the extension of credit would be the same, for *credit is credit* and has no sex.

A story is told of a preacher who, before starting his sermon, raised his arm to the right—then addressed his congregation as only preachers can do—then raised his arm to the left—and the sermon was concluded. Upon being asked why the gesticulations, he replied he was just removing the quotation marks as all he had said was something that had been talked about over and over again and he was only quoting. Therefore, his gesticulations were the removal of the quotation marks. So you shall not hear anything new about credit—just how a woman feels on the subject.

In the first place, the credit manager is the biggest sales asset of an institution. Good credit wins customers, poor credit management loses sales, which of course is a loss of the sale and PROFIT. And without sales—our jobs would not be.

A credit manager learns sooner or later—if wise, that business life is a mixture of good days and bad, victory and defeat, give and take. That it doesn't pay to be a sensitive soul. That you must let some things pass by. That the quickest way to become unpopular—and lose out entirely—is to carry gossip about others. This is especially true in credit work.

They learn that it doesn't matter who gets the credit, so long as the business shows a profit. They learn that no one ever got to first base alone, and that it is only through cooperative effort that we move on to better things.

Let me tell you a little fable that illustrates this thing called cooperation—it is a fable of heaven and hell. It seems that the narrator went to hell first. He found there tables piled high with all sorts of delicious viands. Everything the most epicurean taste could long for was in evidence, and the devil was a genial host—he was urging the guests to eat.

There was only one rule of rigid etiquette in force. That was that the guests must use the knives and forks which were provided. The silver implements were three or four feet in length. Imagine it—hungry—all sorts of good food available—but one was powerless to eat because there was no way to manipulate the odd cutlery!

Then the traveler reported on a visit to heaven. The same situation, strangely enough, existed there as well. The tables were filled with the identical kinds of food and the rigid etiquette and the same kind of knives and forks. But in heaven, all was joy—whereas in hell, all was gloom. Why? Because in heaven there were the people

who helped each other—they were feeding each other. For while you can not feed yourself with a three foot fork, you can feed your neighbor. In heaven were the courageous cooperators.

After being a super salesman, the credit manager is somewhat of an ambassador of good will—the liaison between the advertising, sales department, order department, the buying public and the delivery department.

Lack of recent information is responsible for more mistakes in judgment than erroneous reasoning. This, then, calls for a constant and continual use of the local credit bureau with down-to-date reports. We should make the utmost use of the facilities we have at hand. The efficient credit manager can make the collection end of the business most simple by refusing credit where it is not due.

There is no kindness in giving credit to one unable to meet his obligations. Better never to have had such a charge customer than to lose the account.

One should make a very careful analysis of the report of the credit-seeker. By this study the character of the individual can be pretty well established. You can tell if he is a struggling young man, attempting to get a start, whether it is his first credit experience, whether his family is extravagant, how he stands in his community, if he is loose with his money, or whether he is aggressive and attempting to establish his financial responsibility.

The hand is quicker than the eye—but unquestionably the eye is quicker than the ear—particularly when opening an account. All terms should be written and all transactions confirmed in writing.

Your customer is probably not listening attentively to you while you are explaining the terms—but rather (in his mind) placing that radio in the home where it will look the best. He will pay more attention to the details of the transaction when the written letter (or contract) relative to payments is received.

Some of the requirements of a good credit manager—and therefore good credit—over any kind of a desk—are these: A clever person—a personality necessary to create a favorable impression—excellent judgment—ability to see the other person's side; someone with infinite patience, care of detail, a flair for figures, understanding of commercial law—shrewd and adroit enough to detect the debtor who seems to avoid the day of reckoning. Do you have all of these qualifications?

Well, here is the greatest one of all—TACT. After all, the credit manager must deal with the sales organization, the management and the individual receiving the credit or goods. Each man and every department of the entire organization is either cheering you or condemning you for

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the transaction. Therefore, tact must be employed and, if not an inborn trait, developed to the utmost.

But, after all, credit is credit—and the same efficient judgment must be used regardless of whether the credit manager is man or woman. I have enumerated what I believe to be the qualifications of a good credit manager and his duties—whether man or woman, for credit is basically the same—and credit has no sex.

The Barometer of Retail Business

(Continued from page 11.)

tions and credit sales were fair to good throughout the state of Texas.

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In Cheyenne, Wyo., collections, credit and total sales were off 10.0 per cent respectively as a result of a decrease in employment in railroad and industrial lines. . . . Collections, credit and total sales were off 15.0 per cent respectively in Torrington, Wyo.; this was attributed to general business decline.

Collections were off 5.0 per cent in Vancouver, Wash. Local mills were working only part time.

Collections increased 0.7 per cent in San Francisco, Calif., while total sales decreased 12.0 per cent. . . . Collections increased 2.0 per cent in Santa Barbara while credit and total sales were off 3.0 per cent respectively.

In London, Ont., collections were off 10.0 per cent while credit and total sales were off 9.0 per cent. Many of the local industrial plants are closed or operating on reduced schedules. . . . Collections were unchanged in Victoria, B. C.; however, credit sales increased 2.0 per cent while total sales increased 3.0 per cent over February last year.

Credit -- Prosperity's Background

(Continued from page 7.)

- Your local credit bureau or association is in a position to supply the facts.
- It is advisable to have a definite credit policy with respect to terms.
- These terms should be made known at time of sale and then enforced.
- The initial, or down payment, should be large enough to create an equity that is worth keeping by the purchaser.
- 8. The length of time contract is to run should conform to the best credit practices in order to keep repossessions (with attendant ill-will and losses) at a minimum.

"Gold" Emblem Stickers

For Your Letters and Statements

Printed in royal blue on special "gold" gummed paper. Actual size is shown by dotted lines. Price, \$2.00 per thousand, postpaid.

NATIONAL RETAIL CREDIT ASSOCIATION

1218 Olive St.

St. Louis, Mo.



Try These Revised "Inactive" Stickers!

Use on "blank" statements one monthand you will use them again!

Of Course__ We Missed You!

And your account is waiting for you. Come in and use it!

We Value Your Patronage!

O M. R. C.

Just a Blank Statement

To remind you that we miss your patronage and to extend this invitation:

Use Your Charge account!

O H. R. C. A.

You Don't Owe Us a Cent!

Yes! We've noticed it and we hope you will use your charge account this month.

Your Patronage
Is Appreciated!

© 1934, s. a. c. a.

Exact size shown by dotted lines. Printed in one color. Price, \$2.00 per 1,000

National Retail Credit Association 1218 Olive Street St. Louis, Mo.

Credit News Flashes--

Personal and Otherwise

To Mr. and Mrs. Arthur Hert—A Daughter Is Born

We know that their many friends throughout the Association will be glad to learn that Mr. and Mrs. Arthur H. Hert are the proud parents of a baby daughter, Sylvia Catheryne, born March 14.

Warning

One of our members in Buffalo, New York, reports that a man is gaining admission to offices by representing to be a member of the National Retail Credit Association. Having gained entrance, his conversation immediately leads up to the fact that he is selling investments. The whole thing is a misrepresentation and if anyone approaches you representing himself to be a member of the National Retail Credit Association ask him to show his membership card.

Boston Association Elects

The annual meeting of the Retail Credit Men's Association of Boston was held Wednesday evening, March 16, at Schrafft's Restaurant, 16 West Street, Boston, with nearly 100 members and guests in attendance.

The following officers and directors were elected:

President, Leon O. Wavle, S. S. Pierce Co. (Mr. Wavle is also President of the Boston Wholesale Credit Men); First Vice-President, Nelson W. Hart, Batchelder-Whittemore Co.; Second Vice-President, Harold B. Bliss, Shreve Crump & Low Co.; Treasurer, Rowe A. Gladwin, First National Bank of Boston; and Secretary, William J. Starr, Merchants Credit Bureau, Inc. This is Mr. Starr's 30th consecutive year as Secretary; he was also elected as delegate to the National Convention.

Colonel Franklin Blackstone, General Chairman of the Pittsburgh Convention Committees, will broadcast over Station KDKA at 11:15 P.M. (C. S. T.), April 19.

D. H. Jolley, formerly of Lybrand, Ross Bros. & Montgomery, New York City, is now Credit Manager of Oppenheim, Collins & Company's Buffalo store.

A "Different" Kind of Notice

Mr. F. J. Diesing, Manager, Department of Accounts, The Wallace Co., Poughkeepsie, N. Y., sent us the following "personal" ad, clipped from a local paper:

MY HUSBAND—MR. HAROLD COWLES—I did not leave your bed and board. I left your mother's, father's and sister's. SIGNED: ETHEL COWLES.

* * * Position Wanted

CREDIT-COLLECTION MANAGER—18 years' experience in credit and collection work; 16 years with leading store in Middle West. Age, 39. Address, Box 42, CREDIT WORLD.

Notice to Members of the Silver Jubilee Club

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Members of the Silver Jubilee Club are requested to send in their suggestions for a get-together meeting at the National Convention. This possibly could be a dinner meeting on Wednesday evening, June 22—if this is to be an "open" night.

This meeting is to be the annual meeting, for the election of officers, directors, etc. Your suggestions may be sent to the National Office or to any of the following officers:

A. B. Buckeridge, Credit Bureau of Greater New York, Inc., New York City, President; G. A. Marbach, City Water Board, San Antonio, Texas, First Vice-President; John K. Althaus, Associated Retail Credit Men, Inc., Washington, D. C., Second Vice-President; M. B. Silverson, The Landres Company, Memphis, Tenn., Secretary-Treasurer.

Winnipeg Credit Women Elect

The Credit Women's Breakfast Club of Winnipeg, at their recent annual meeting, elected the following:

President, Miss Lydia Kuhn; Vice-President, Miss Jean Cranston; Secretary-Treasurer, Miss Muriel Martin; and Corresponding Secretary, Miss Irene Drever.

Salem Credit Bureau Traps Check Suspect

Quick work on the part of the Salem (Ore.) Retail Credit Bureau recently in flashing warnings to member stores, led to the arrest of J. R. Ashton, Salt Lake City, alleged to be passing "bad" checks.

Memphis Has New Credit Women's Club

Meetings of the newly organized Credit Women's Breakfast Club of Memphis will be held, from 7 to 8 o'clock, on the morning of the second Tuesday of each month, it was announced at the initial meeting.

Officers of the club are: Mrs. B. J. Haley, President; Mrs. Bess Moss, First Vice-President; Mrs. Agnes Davis, Second Vice-President; and Mrs. Helen D. Ruffin, Secretary-Treasurer.

Mrs. B. J. Haley

M. B. Silverson, representing the Memphis Retail Credit Association, who was active in organizing the credit women, installed the officers. Greetings were extended by H. G. Orndorff, President, and G. A. Lawo, honorary president, of the Credit Association.

The CREDIT WORLD

Sixth District Credit Women's Council Organized at Minneapolis

The Minneapolis Credit Women's Breakfast Club, Irene Fitzpatrick, President, entertained 69 guests at breakfast, Monday morning, February 21. Guests included breakfast clubbers and would-be breakfast clubbers from nine Northwest cities who were in attendance at the Sixth District Conference.

The Sixth District Council of Credit Women's Breakfast Clubs was organized, the following officers being elected:

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President, Lily Person, Minneapolis, Minn.; First Vice-President, Clara Haney, Omaha, Neb.; Second Vice-President, Lydia Kuhn, Winnipeg, Canada; Treasurer, Dorothy Yergan, Duluth, Minn.; Recording Secretary, Laura Otterman, Lincoln, Neb.; and Corresponding Secretary, Winifred Kessel, Minneapolis, Minn.

* * * Louisiana State Meeting

The annual meeting of the Louisiana Retail Credit Association was held at the Washington-Youree Hotel, Shreveport, La., March 21, 22, and 23. It was a very profitable and well attended 3-day meeting and the Shreveport credit granters proved to be exceptional hosts.

The Cisco-Harris Silver Cup, awarded annually to the largest delegation from any Louisiana city, was won for the third consecutive time by the Retail Credit Association of New Orleans, and becomes its permanent property. The award was made to Miss Julia Beers, representing the New Orleans delegation. Mr. W. J. Readhimer of the Arkansas Fuel Oil Co., Shreveport, was elected President for the ensuing year and Baton Rouge was chosen as the next convention city.

Vancouver (B. C.) Association's Election

"An energetic group of the leading credit grantors of the city has been selected to guide the destinies of the Retail Credit Grantors' Association during the coming year," writes Thos. Downie, Manager, Retail Credit Grantors' Bureau, Ltd.

"The President this year is a man who has had many years' experience in the retail credit granting field—a director of the National Retail Credit Association and Vice-President of the Tenth District—L. L. Harris of Boultbee, Ltd. Other officers are:

"Vice-President, Chas. G. Banner, Hudson's Bay Company: Treasurer, Eric Marsden, Sterling Food Markets; and Secretary, Thos. Downie, Manager, Retail Credit Grantors' Bureau, Ltd.

"These officers already have presented many constructive ideas and will formulate an aggressive program for the coming year, including the launching of the Association's 'Pay Promptly' campaign through the newspapers and the furtherance of credit education for the membership."

New Credit Women's Club in Washington

The organizational meeting of the Credit Women's Breakfast Club of Washington (D. C.), March 17, elected the following officers:

President, Miss Wilhelmina Gude, Gude Brothers;

Vice-President, Miss Martha Bean, M. Brooks; Treasurer, Miss Mary Hodan, The Credit Bureau; Recording Secretary, Miss Alice White, The Credit Bureau; Corresponding Secretary, Miss Ruth Adams, Raleigh Haberdasher; Chairman Entertainment Committee, Miss Ruth Beuchert, Central Auto Works; and Chairman Membership Committee, Miss Catherine Cohen, Potomac Credit Bureau, Clarendon Va.

Oklahoma City Local Graduates Credit Class

A number of the members of the Oklahoma City Retail Credit Association completed the National Credit Course which was conducted under the auspices of the local association. National Association certificates were presented at the regular weekly Credit Luncheon (March 10). These were presented by A. S. Moroney, President of the Oklahoma City Retailers Association and President of Doc & Bill Furniture Company.

Thirty-nine certificates were presented to those who had successfully completed the course. The local association offered prizes in the amount of \$50.00 and these were awarded to Mrs. Opal Hunt Woody, Harry Katz, Inc., \$25.00; Mrs. Virginia Webster, Hartwell Jewelry Co., \$15.00; and Miss Irene Blessing, Nissen Shoe Co., \$10.00. It is interesting to note that these prizes were all won by members of the Credit Women's Breakfast Club.

Our Collection Procedure for Hospital Accounts

(Continued from page 12.)

enables the Akron Credit Bureau to salvage some cash before the patient skips or becomes too heavily burdened with other debts.

Usually, the patient will make a call to the office or respond by writing before the account is referred to the Akron Credit Bureau. However, if he does not defend himself, the account is turned over to the Bureau which is instructed to use its better judgment in enforcing collection of our accounts.

Incidentally, the Akron Credit Bureau has proved itself exceptionally capable and has turned over to us thousands of dollars which we believed lost.

We also receive the benefit of the posting on the Credit Bureau record, which in turn prohibits the patient from piling up numerous other accounts while our account remains unpaid. We feel we are not only benefiting ourselves but our local merchants as well, by submitting this information.

To the average credit manager the hospital's problem apparently seems no different from general credit practice. However, the prime factor is that we cannot select our credit risks in advance but must establish credit secondarily, after service is already instituted. Consequently, we must be on the alert at all times to protect ourselves from individuals who are not sincere in meeting their financial obligations.

Twenty-Sixth Annual Convention—Pittsburgh, Pa., June 21, 22, 23 and 24, 1938. Hotel William Penn. Make your plans now to attend.

"Pittsburgh in June--" A Message to "Breakfast Clubbers"

By MISS AVADANA COCHRAN

President, Credit Women's Breakfast Clubs of North America

ARIS in the Spring." We have all heard of the enchantment of Paris in the Spring. The Champs Elysées in bud typifies that season of the year when everyone is "en point" with expectancy. "Pittsburgh in June," in our profession should have a like expectancy for it means to us the 26th Annual Convention of the National Retail Credit Association-the greatest organization of its kind in the world, of which we, the Credit Women's Breakfast Clubs of North America, are now a recognized, affiliated part. It means the getting together of over a thousand men and women, leaders in the profession of Credit and Collection on this continent, to discuss their problems, in order that they may progress by united action, and become more competent to meet the many and varied complexities attendant upon the extension of credit today.

It means the renewal of friendships growing dearer year by year. It affords the opportunity to make new friends and, in so doing, to receive fresh viewpoints, new inspirations, revived courage and greater confidence in self.

To us as Breakfast Clubbers it means all this and more. It means our second Annual Convention, the opportunity to get together for the second time to discuss plans to prove ourselves worthy of the trust and confidence the members of the N. R. C. A. placed in us when they accorded us the honor of becoming affiliated with them. It means the second time we shall gather to discuss how best to plan the extension of our Breakfast Club movement—for we hope to have an active club in every city in which there is a credit bureau, or a local unit of the National Association.

Since the first Breakfast Club was organized in Portland, Oregon, seven years ago, approximately seventy clubs have been organized throughout the United States and Canada. For the first few years progress was very slow. Those clubs which had sprung up in the Northwest were experimenting with the idea—proving to themselves that there was real worth to their Breakfast Clubs.

They were so successful that others within the 10th District became interested and sought information in order that they, too, might form a similar club. It became apparent to this group that they needed a central organization to disseminate organization data and to coordinate the work of the clubs already organized in order that they might progress along similar lines.

To take care of this need, four years ago at the 10th District Conference of the Retail Credit Men's Association held in Tacoma, Wash., the Pacific Northwest Council of Credit Women's Breakfast Clubs was formed. For four years this council prepared data on how to organize, outlined an educational course for the clubs to follow, met annually at the same time and place as the Credit Men's 10th District Conference, and proved beyond a

question of doubt to the men as well as to themselves that Breakfast Clubs were immensely worth while—that the girls who were represented in membership became better acquainted, more interested in their work, and were therefore of more worth to the firms who employed them.

Almost immediately the National officers of the N. R. C. A. who were present at the 10th District meetings became aware of the effectiveness of the Breakfast Club idea, and they began to tell others about the work that was being accomplished. Soon inquiries began to pour in from men and women outside the 10th District who wanted organization data, and details on how best to form such a club in their communities.

The Pacific Northwest Council undertook to finance and distribute these data and, in every way, assist other clubs to get started. They carried on this work successfully but in a very limited way.

Soon it again became evident, due to the fact that clubs were springing up in far distant parts of the continent, that an International organization was necessary to meet best the needs of this fast growing organization. They also rightly believed that the financial burden should be jointly shouldered by all the clubs, rather than by their few. Furthermore, they keenly felt that they needed the counsel and advice of the other clubs outside their district whose problems were not always comparable to their own.

So it was that they accepted the invitation of the National Retail Credit Association to meet with them at their Silver Jubilee in Spokane last June to consider formally such an organization.

They sent out their call to organize, and the response was most gratifying. At that meeting they adopted a Constitution and By-laws, elected officers and set up a new International organization to carry on their future work.

"Pittsburgh in June," therefore, means to us as Breakfast Clubbers, not only the tremendous educational advantage of being able to attend the progressive and instructive business sessions of the N. R. C. A.—but the opportunity to renew friendships formed in Spokane with credit men and women—and Breakfast Clubbers from the many clubs located throughout the continent, and to discuss plans for the future.

One of the priceless advantages of our Breakfast Clubs has been the strong and lasting friendships that have sprung up from within our organization. Perhaps the most conspicuous accomplishment is the spirit of friendliness that has been created and that is so pronounced within our separate clubs and between clubs.

If we can do nothing more than spread this feeling of kindliness and good will, and make it a part of our profession, we shall have justified our existence. The whole world today shows lack of understanding and friendship. If, in our small way, we can by example and practice "frier person fellow success lished we in invest may that gram.

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further unite our separate states and the provinces of our neighbors from across the border into a fraternity of "friends," banded together neither for material gain nor personal advantage, but merely to create good will, good fellowship and cooperation (qualities so essential to the success of our profession), we feel we should have established cause for your interest and support. At any rate we invite those of you who may still be in doubt to investigate further our purposes in order that you, too, may become convinced of our worthiness, and in order that you may work with us to carry forward our pro-

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The Credit Women's Breakfast Clubs of North America expect to take an active part in the advancement of our profession. We have voted to stand behind and carry forward the great work that the N. R. C. A. has already done and is still doing in this field of credit granting. We shall have our second opportunity to demonstrate our sincerity of purpose, prove our loyalty, and expand our ever-widening circle of friends. For that reason we anxjously await the annual Convention. We hope we shall have the pleasure of meeting you in "Pittsburgh in June."

Position Wanted

CREDIT MANAGER-Young woman, eight years' experience as office and credit manager of large retail firm. Experienced in all types of office machines including bookkeeping and teletype. Prefer Boston or vicinity. Best references. Address Box 41, CREDIT WORLD.

The Perfect Personal File

for the Busy

Credit Manager



All Important Papers At Your Finger Tips

Private correspondence—personal accounts and tistics on your business—personal bills, policies—ideas—new confidential plans—as well as all pending material required for frequent reference—thoroughly organized and ready for instant use. No lost papers—no delay—quick action without waiting. A clear desk and a clear mind for immediate problems or work. The greatest time saver ever offered busy men or women. A large range of dividers to suit every need of the business or professional man.

Read Without Removing!

Automatic expanding file drawers afford instant visibility and access without removing papers from file—without rising from desk. Top is flush with desk when closed—slides into vertical position behind file when open. Available in legal or letter size at prices made possible by large production.

FREE Send name at once for descriptive circular and price list.

AUTOMATIC FILE & INDEX CO.

629 West Washington St., Dept. 884

These "Polite Persuaders" Collect!

Read This Letter:



And Here Is the Sticker That Did It!

.. The "Please" sticker, shown at the right, is the one mentioned in Mr. Schultheis' letter. It is one of the old "National" series of "Polite Persuaders" which we had discontinued.

But our members wouldn't let us dis-continue them! They kept on ordering!





Two "Stand-Bys" Retained

So, to meet the de-mand, we have ord-ered a new supply of the two stickers shown here and will continue them because they are \$2.00 per 1000.

National Retail Credit Association 1218 Olive St. Louis

Coming District Conferences

OUR district conferences are planned for the month of April: The First, Tenth, Eleventh and Thirteenth Districts. The last during the fiscal year will be that of District Eight (Texas) which will be held in May. Districts Two, Nine, and Twelve will hold their annual meetings at the Pittsburgh Convention. Announcements of the April meetings follow:

First District

The First District (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and Quebec) will hold its annual conference May 16 and 17 at the Hotel Bancroft, Worcester, Mass. [Editor's Note: Through error, we gave the wrong dates in the March issue.]

Plans are under way to make it one of the most interesting and instructive conventions ever held in the district. National President J. Gordon Ross will speak on "The Bigger Credit Job." Some of the other important subjects to be discussed will be:

Standardization of Installment Terms, Rates, etc.
 The Credit Man's Place in Sales Promotion.
 The Control of Credit Limits.
 Present Trends in Legislative Control of Credit.

Those attending are invited to bring problems for discussion in the Open Forum which is to be conducted by the Boston Group. A banquet and dance will be held Monday evening. For reservations write P. J. Murphy, Chamber of Commerce, Worcester, Mass.

Tenth District

The Eighteenth Annual Conference of District Ten will be held in Portland, Oregon, May 15, 16, 17 and 18. This will also be the Fifth Annual Conference of the Pacific Northwest Council of Credit Women's Breakfast Clubs, and the first meeting of the Associated Credit Bureaus of the Pacific Northwest, also the Collection Service Department.

Judging from the effort being put forth by the committee and information coming in, it is going to be the largest ever held in the Pacific Northwest. It has been necessary to add another day in order to give ample time to cover the topics in the discussion and the educational work that has been outlined. The entire retail credit structure both present and future, will be taken down, torn apart, and analyzed, piece by piece, so if you are going to continue in business, do not miss this conference. The principal speakers will be "tops" as lecturers in the educational field, and will be well worth the trip here.

The Portland Credit Women's Breakfast Club, founders of the women's organization, will act as hostess to all visiting clubs, and will have as their guest and speaker, Miss Avadana Cochran, President of the Credit Women's Breakfast Clubs of North America, also "tops" as a speaker. For further particulars write Helen Bishop Smith, general chairman, c/o Portland Retail Credit Association.

The Tenth District comprises Oregon, Washington, Idaho, Montana, British Columbia, Saskatchewan, Alberta and Alaska. Registration can be made with Harry Pedersen, Chairman, c/o Portland Retail Credit Association. For further particulars write Grant C. Braman, General Chairman, c/o Portland Retail Credit Association.

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The Eleventh District (Arizona, California, Nevada, Hawaii) will hold its Annual Conference at the Biltmore Hotel, Los Angeles, April 22 and 23. An excellent program has been arranged.

At the Friday morning session, Frank Batty, General Credit Manager of Hale Bros., San Francisco, will speak on "Adequate Credit—Controlled," and William C. Mullendore, Executive Vice-President of the Southern California Edison Company, will talk on "Inflation and the Abuse of Credit."

Friday afternoon will be devoted to these group meetings: Automotive, Finance, Contract Sales, Department Stores, Specialty Shops, Men's Clothing, and Public Service. The banquet speaker, Friday evening, will be Dr. James W. Fifield, Jr., Pastor of the Congregational Church of Los Angeles.

During Saturday afternoon, H. H. Christensen, Assistant Vice-President, American Trust Company, San Francisco, will discuss "Financing Loans." One of the high-lights of the Conference will be the debate by the Women's Debating Squad of the University of Southern California on "Resolved, That Installment Selling, as Carried on in the United States, Is Beneficial to Public Welfare."

On to South Bend for District Thirteen

Everything is in readiness for the annual conference of District Thirteen (*Indiana*, *Illinois*, *Wisconsin*) to be held at the Oliver Hotel in South Bend on the 25th and 26th of this month.

Monday morning will find the delegates of the 13th District Conference meeting in joint session with Indiana Credit Bureaus, Inc., to hear a short but distinguished list of speakers. Outstanding will be the address of Dean J. E. McCarthy, Head of College of Commerce, Notre Dame University. Representing retail credit men will be Robt. O. Bonner from L. S. Ayres & Co., in Indianapolis, and W. S. Martens from Carson Pirie Scott, Chicago. Frank Caldwell, General Manager of the Associated Credit Bureaus of America, and L. S. Crowder, General Manager-Treasurer of the National Retail Credit Association, round out this excellent array of talent.

Monday and Tueşday afternoons will find the delegates in worthwhile group meetings. Groups now scheduled are: Department Stores, Furniture Stores, Utilities, Men's Clothing and Ladies' Ready-to-Wear, Dairy, Finance Group. (Note: This is a new group and you are urged to acquant your local Finance men with this convention.) Automobile, Tires, Accessories, Oil, etc., will make up the last group. Others will be supplied upon request.

Tuesday morning there will be four outstanding papers on unusual subjects such as: "Valuable Credit Department Analyses"—"Shyster Collection Agencies" and "The Credit Man's Destiny."

The President's Get-together Suite will be a big feature of this conference. All delegates who are not acquainted, who have someone in mind they wish to meet, who want to join a party for lunch or do any of the things that make for Good-Fellowship are urged to go to the President's Suite where they will be introduced and entertained.

So there's something for everybody at South Bend on April 24, 25, 26. Send Reservations to L. G. Waterson, c/o South Bend Retail Credit Bureau.—F. R. Larrabet.

Current Credit Conditions

(Continued from page 9.)

and 13 localities so reported in 1937. Seven reported maximum terms of 12 months in 1936 and 10 in 1937. The number employing 18 months decreased from 4 to 3.

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Of 19 reports on prevailing minimum down payments for washing machines, six indicated \$5,00 in 1936 and five in 1937. Eight reported 10 per cent in 1936 and 9 in 1937. Thirty-six months was the maximum in terms for 1936 and 24 months the maximum found in any locality in 1937. On the whole there was very little uniformity in terms running up from the minimum found in any case of 10 months.

Of 11 reports which had information on jewelry stores, 3 indicated 10 per cent as the minimum down payment in 1936 and 4 in 1937. Otherwise, there was wide variation, from "nothing down" to 30 per cent. Maximum terms information appeared to indicate 12 months as the generally prevailing practice in both years.

Reports from 13 localities received on the subject of "soft goods" sold by department stores indicated very little uniformity in minimum down payments which ranged from zero to 25 per cent. Five localities reported 20 per cent in 1937 whereas only three indicated this practice prevailing in 1936. Maximum terms varied widely, from 2½ to 12 months, with very little indication of any trend or grouping.

One of the subjects which attracted considerable attention at the Washington meeting last week was Community Credit Policies. Through the medium of The CREDIT WORLD, we have all learned of the policies approved by the retail credit men in Los Angeles, Chicago, and St. Louis. In our report, which will appear shortly, we shall add the experiences of several other cities.

In the West, some efforts have been made in the adoption of sound installment practices. In Portland, Oregon, the Retail Credit Association recommended terms on commodities commonly sold on installment which agree in principle with the resolution adopted by the National Retail Credit Association in June, 1937. The Credit Association in June, 1937.

sociation of Portland further recommended "that in no case should terms be lengthened . . . but rather the tendency be to shorten installment terms at this time and that competition be confined to merchandise and service." In Stockton, California, the Merchants Association unanimously adopted standard practices in installment selling, almost two years ago. Agreement was reached on a uniform carrying charge, and it was also agreed that advertising of terms and carrying charges should be held within specific limitations. In San Antonio, Texas, it is indicated that some uniformity has been established with respect to advertising and carrying charges. A code adopted by leading stores three or four years ago is still in effect with some slight changes. While merchants do not adhere strictly to all provisions, fairly good progress is being made.

In my opinion, a summary of the present situation is about as follows: Dollar retail sales for 1937 were higher than those for 1936 although November and December showed declines. The early months of 1938 will also show declines under the same months for 1937 although retailing will improve until it equals or shows an improvement over 1937. Sustained volume is being handled at small or no profit, especially for the larger stores.

Since the retail business is not expected to get any worse, retail credit, which moves up and down directly with dollar sales, should not fall proportionately below present figures. Installment sales fell off more, relatively, last fall than did either open credit or cash sales at retail and as soon as the public is satisfied that the worst is over, they will start up more rapidly.

And finally, gentlemen, I have found the credit fraternity one of the most alert groups in our business communities. You retail credit men see farther than the next sale. Upon you rests both the opportunity and responsibility to so increase your knowledge of credit and business conditions generally that you all can take the leadership in leveling out the peaks and valleys in our business world. The Department of Commerce and the Bureau of Foreign and Domestic Commerce stand ready to support you with facts. I hope we may continue to work with you!

First Call!

(Hotel William Penn is the official Convention Hotel)

Fill out the card and Mail it Now!

Going?

Make Your Plans Now!

Registration Card

Twenty-Sixth Annual Convention, Pittsburgh, Pa., June 21, 22, 23, 24, 1938

NATIONAL RETAIL CREDIT ASSOCIATION and ASSOCIATED CREDIT BUREAUS OF AMERICA

State	City
Name	••••••
Addre	88
Firm	
Will	wife accompany you?Railroad or auto?
Hotel	(single or double room) at \$ per day
What	group conference will attend
Will	arrive (exact date)A.M./P.M. depart
Regis	ration Fee for Delegates-including Banquet and Entertainment, \$10.00. For Wives of Delegates, \$5.00.
	(Fill out and mail to W. B. McConnell, care Meyer, Jonasson & Co., Pittsburgh, Pa.)

APRIL, 1938

Special Prize Offer to Membership Workers

By DANIEL J. HANNEFIN

Since the 1938 membership campaign will close May 31, every member is urged to make an earnest effort to sign up one new National member in April and two new National members during the month of May.

As a special incentive, Mr. Crowder, who is making a membership tour of the East, writes from New York City offering a special prize to the member personally securing the greatest number of new National members between April 15 and May 15 (final date for mailing).

This is in addition to the list of prizes offered in the October CREDIT WORLD. For the benefit of membership workers, that offer is repeated below:

Membership Prizes

Each of the chairmen (Regional, State and Local) reporting the greatest number of new members—likewise the credit manager or bureau manager personally securing the greatest number of new members—will be awarded a prize of \$50 against Convention expenses. If any winner is unable to attend the Pittsburgh Convention, a beautiful pen and pencil set (with onyx base suitably inscribed) will be presented in lieu of the cash prize.

To each individual member reporting 15 or more new members will be presented a pen and pencil set—and 25 or more new members, a handsome electric desk clock, suitably inscribed.

Electric desk clocks will be presented to one Credit Executive and one Bureau Manager or one member of Credit Bureau personnel for outstanding membership achieve-

Local Association Trophies

Three trophies will be awarded, as follows:

- 1. To the Local Association with the largest membership in proportion to population.
- 2. To the Local Association with largest membership.
- 3. To the Local Association reporting greatest number of new members.

Membership Blank

National Retail Credit Association 1218 Olive St., St. Louis, Mo.

I hereby apply for one year's membership in your Association, subject to acceptance by you and by your recognized unit in this locality. I enclose \$5.00 which I understand entitles me to all the privileges of membership, including a year's subscription to "The Credit World."

Name			*			*																					
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New Local at Elkins, W. Va.

Following a meeting at Elkins, W. Va., March 14, which was addressed by Mr. Crowder, L. L. Cook, Manager of The Elkins Credit Bureau, Inc., sent in 24 new membership applications with this comment, addressed to Mr. Crowder:

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"Many fine things have been said about your address and our meeting. In line with the action of the meeting, we are planning to have the organizational meeting of the 'Credit Association of Elkins' April 7 or 8. Our people are looking forward to this meeting with much anticipation."

Victoria (Texas) Organizes With a Purpose

Gilbert A. Marbach, State Membership Chairman for Texas, has been forming local credit granters' associations throughout the state. Outstanding among these is the Retail Credit Grantors Association of Victoria, Texas. Organized in July, 1937, it now has 19 National members. That this local is doing things is shown by the newspaper ad reproduced below. The local newspaper commented: "One of the city's newest, fastest growing and most valuable organizations is the Retail Credit Grantors Association." Officers and directors are:

President, R. L. Willis, Magnolia Finance Co.; First Vice-President, M. O. Simon, M. O. Simon Co.; Treasurer, T. E. Gallemore, T. E. Gallemore Men's Wear; and Secretary, Mrs. Mae R. Welder, Retail Merchants Ass'n, Inc.

Directors: J. R. Levy; E. M. Van Zandt; I. M. Bettin; and V. W. Moore.

RESOLVED

"That I Will Protect My Greatest Asset During The Entire Year 1938"

My Greatest Asset Is My Credit

The making of this resolution is one of the most important of all resolutions that one can make.

The merchants of Victoria have banded themselves totogether in what is known as THE RETAIL CREDIT GRANTORS ASSOCIATON. This organization is defnitely organized to help folks protect this generate asset, and to see that the undesirable, bad pay element shall not, by deliberate and unfair means, take advantage of the merchants who balong.

YOU MAKE YOUR OWN PICTURE

Every person makes his or her own picture, as far as good or bad credit is concerned. In the files of the RETAIL CREDIT EXCHANGE of this city are thousands of such pictures. They have been mode from day to day, and they reflect exactly what you have done.

If you have not RESOLVED, you can do no better day's work than to make such a resolution NOW!

Protect Your Credit with Greatest Care.

Treat it as a Sacred Trust by Paying Your Bills
Promptly During 1938



The Retail Credit Grantors Association OF VICTORIA, TEXAS

Hi-Speed Collections from Low-Pressure Methods

(Continued from page 4.)

ing at the homes or the offices of our customers, and we believe that people are more easily offended by a collector calling at the home or the office than they are if called on the telephone.

We all recognize that where an account is closed, and the possibility of making the collection seems remote, it is well to endeavor to secure the account in some form or another. If this cannot be done, we have found it to be advantageous to have the customer give us a note signed by himself and his wife, if possible, for the amount due since the closing of an account by note has the distinct advantage of becoming liquidated and cannot easily be disputed.

Secondly, because being an instrument in writing, the Statute of Limitations will extend for a longer period than applies to an open account, depending upon the state where the action is brought. In cases where the amount is large and debtor claims to be unable to secure the account, and refuses to give a note, it is advantageous to reduce the claim to judgment.

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Now please do not misunderstand me when I suggest taking judgment. I believe in trying to build "good will" with the slow—as well as prompt paying customers. Just because a customer may be unable to pay an account, is no good reason why he should be abused. I recall a debtor, many years ago, who could not pay a bill of an even \$100.00. He was treated with kindness and consideration. This same man has been one of our best customers for many years, and if I were to mention his name I do not think that there is a person present who has not heard of him. His inventions are used all over the world.

You may have noticed that in most of the cases mentioned our claims are against husband and wife. Section 15, Chapter 68, Revised Statutes of Illinois, referring to the expenses of the family, provides as follows:

"The expenses of the family and of the education of the children shall be chargeable upon the property of both husband and wife, or either of them, in favor of creditors therefor, and in relation thereto they may be sued jointly or separately."

In construing this provision of the Statute, our Supreme Court has held that whatever is a legitimate expense of the family is for the wife's benefit, as she is a part of the family and the legislature has the power to enact that she or her property shall be liable for a debt incurred by her or for ner benefit. Debtors have no vested right not to pay their debts. What debtors may have or acquire, the State may subject to legal process for the satisfaction of creditors.

The provision of this Statute is very helpful in the collection of accounts, and in Illinois, we need not be very much concerned whether the account is opened in the name of the husband or the wife, if they are living together as a family, as practically all merchandise that we sell comes under "family expense," and can be collected from the husband or wife, jointly or severally.

We had a claim some years ago against a husband and wife residing within the State of Illinois, who owned real estate in the State of Michigan. The courts of the State of Michigan, as well as most of the Eastern States, have declined to recognize our Husband and Wife Act. So, in order to collect our claim in the State of Michigan, instead of starting suit originally in the State of Michigan, where we would have lost out, as the Court would not enforce our Statute against the wife in that particular State, we first entered suit in the State of Illinois, and recovered a judgment against her, and then started proceedings on our judgment in the State of Michigan. Even though our case was contested, we recovered a judgment in the State of Michigan, on the judgment recovered against the debtor in the State of Illinois.

The laws of the several states vary considerably concerning the liability of husband and wife. The provision of the Statutes to which I have called your attention was copied from the Iowa Statute, and adopted by our legislature in 1884. I think that our legislature passed a most fair and equitable law at that time, and I submit it to your consideration as a desirable low-pressure method to aid collections.

Many Local Associations Use the New "Gold" Membership Sign

Over 84 local associations have standardized on this new National Membership Sign. Printed in deep purple, on heavy-weight gold cardboard, it makes an attractive, attention-getting emblem—worthy of a place in any credit office. Actual size, 6 inches wide by 7 inches deep—punched for hanging.

Prices (To individual members): One, 15 cents; two, 25 cents; five, 50 cents. Special prices to local associations in lots of 100 or more—with the name of the



local association (instead of the National's) imprinted. Write for prices: National Retail Credit Association, 1218 Olive Street, St. Louis, Mo.

"Impress Upon Their Minds The Importance of Good Credit"

That's Just What This Little Booklet Does!

"How to Use Your Credit to Best Advantage"

This is the title of a little 12-page booklet prepared by the National Office to promote better customer understanding of the use and, likewise, the abuse of credit privileges. Dignified, courteous, understandable—it tells customers, in an understandable and impersonal way, the things you would like to tell them about credit but dare not for fear of giving offense.

Members, the country over, are using it. Hardly a day passes but that we get letters telling us of its effectiveness. The letter at the right is from a credit executive who has used over 40,000 copies—who orders them in 10,000 lots, and uses them on new customers and inactive accounts, as well as "slow pays." What is more, he has a special message of his own imprinted on the back cover!

Local associations can use it-with a proper local message imprinted on the back cover-to build a community understanding of credit and its proper use.

New Low Prices

By ordering in large quantities, we are able to offer new low prices: 500, \$7.50; 1,000, \$12.50; 2,500, \$30.00; 5,000, \$55.00; 10,000, \$95.00; 25,000, \$200.00. Carrying charges and printing on back cover extra. We recommend that this overprinting be done by your local printer. (Size, $3\frac{1}{4}$ " x $6\frac{1}{4}$ ".)

Address all orders and inquiries to: National Retail Credit Association, 1218 Olive St., St. Louis, Mo.

P.S. A few sample pages are shown below.



Jacksonville, Fla January 16, 1937

Mr. L. S. Growder General Manager-Treasurer Mational Retail Credit Association 1218 Olive Street St. Louis, Mo.

Bear Mr. Crowder:

We use this booklet in the following manner:

When new customers open charge accounts with us we write them a letter thanking them for their business. In this letter we explain to them the exact terms of their payments. We also call their attention to the little book-let which we are enclosing— "Mow to Use Your Credit to Your Sest Advantage"— and ask them to kindly read it.

We cannot help but feel that when customers read this booklet it will impress upon their minds the importance of good credit and also the importance of paying their accounts according to agreement.

I have had many compliments from our oustowers on this little booklet. We also use this booklet on any re-opened account (that has been inactive for three months) by sailing the oustower occupy of it with a letter thanking his for the privilege of saking another olarge to his account.

W. F. Errer

WFE/3



A Good Credit. Credit to most of us means the acquiring of something of value without having to pay for it immediately, but it has a more important nomic stimulus to better living and we should safeguard it and conserve it as

Nearly sinty percent of the total retail business transacted annually is done on usage. Retail Credit is divided into two kinds, i. e., the Monthly Charge Account and the Time Payment or Installment Account. Both have their both are well defined in their use



The Monthly Charge Account pro purchases on one month's bill and pay ing for them between the flest and tenth of the following month. Bills are due for settlement on the flest but ten days are allowed as a courtesy and convenience. The tenth of the month is convenience. Inc terran or one mounts is therefore the "dead-line" or National pay day for retail merchants, profes-sional men and all others who have shown faith in us.

The Time Payment or Installment or Deferred Payment Account also has a set pay day. It is either weekly on aspec-



possible on some form of deferred payment. Groceries, clothing, house h nishings, fuel, light, water and gas are all given to us on our promise to pay. The many things that go to make our lives liveble are ours by virtue of this right gained through a good reputa-The Dentist and the Physician render their services on credit. Gifts and remembrances to our family, and friends are so acquired. The automo bile, radio, electric refrigerator, as many other accessories necessary to satisfy our modern desires and maintain prestige amongst our friends are available.



on credit. And to some

Try the New "Standard" Collection Stickers

"O.K."—

—when you say, "Charge It"— is a mark of trust—confidence that you will pay promptly.

This account is overdue. Remit now, please, and-

Keep Your Credit "O.K."







This new series of "Standard" collection stickers combines all the good points of the old series, which members used to the extent of a million a year, with newness:

New copy, new layout, new color in the gummed paper.

Five in the series, exact size as shown by dotted lines (upper half of this page). Attractively printed in contrasting color on buff-colored gummed paper.

Inoffensive-Inexpensive!

Prices, 1,000 of any one sticker. \$2.00; 1,000 assorted, \$2.50; 500 assorted, \$1.50. When ordering "assortments" please specify "New Standard" Stickers.

Don't Break the Magic Circle!

Credit is the magic circle of business. When you pay your creditors—they can pay theirs and so on, around the circle, until it comes back to you! Credit Is Confidence—

Safeguard It!

National Retail HHEREN





Credit Association ----NRCA

Treat Your Credit As a Sacred Trust!

Credit is faith—confidence in your agreement to pay accord-ing to terms.

Keep Faith With Your Creditors and Justify Their Trust!

Retail -----



Credit Association ----

Prompt Payment

—is as necessary to the mer-chant and professional man as prompt service is to you!

You are their paymaster. Pay according to agreement and

Protect Your Credit.

National Retail ----



Past Due

Don't let this past due account mar your credit record. Pay it now—and keep your credit record clear!

Prompt Payments Build Good Credit!

National Retail

PEREE



Credit Association *****

"Good Credit-

is worth more than all the gold mines in the world," said Webster.

Prompt Payment Builds Good Credit—"Worth More Than Gold"







The "Gold" Series

An outstanding series-rich and dignified looking: Printed in royal blue, on special gold paper. Five in series (shown on lower half of this page). Actual size, 13/4" x 2". (Dotted lines are not part of stickers but are only "size indicators.")

PRICE, \$3.00 PER THOUSAND

Order Either Series from Your Credit Bureau or-National Retail Credit Association, Fourth Floor, 1218 Olive St., St. Louis.

...... Keep Your Credit

As "Good As Gold"! Prompt payment of accounts. according to terms, will build a priceless credit record—

"Worth More Than Gold"





..... A Friendly

Reminder!

As this account is overdue, your remittance will be greatly appreciated. Prompt Payment Builds Good Credit—"Worth More Than Gold"



Now-Please?

We know how easy it is to forget. Won't you send it now—please—while you have it in mind?

Prompt Payments Build Good Credit—"Worth More Than Gold"



Past Due!

Prompt payment of this ac-count is necessary to protect your credit record.

Safeguard Your Credit-It's "V Gold"! "Worth More Than

C 1934





CHARGA-PLATE has been More than a Success, says ST. LOUIS

Read What These Men Say About CHARGA-PLATE

I thought I would pass on to you some conclusions that I have reached for Bureau Managers, concerning Charga-Plate and its relationship to credit.

One of the outstanding values of the Charga-Plate is the increased understanding, on the part of the customer, that continued possession, services and privileges of the Charga-Plate are only possible by the prompt payment of monthly accounts. In short, the Charga-Plate definitely promotes prompt pay.

It is also well to observe that the files in the Charga-Plate office have proven of value to the Bureau.

In brief, the various advantages of the Charga-Plate make it a decidedly worthwhile service.

A. J. Kruse, Manager.

I know that you will be glad to hear that our first year of Charga-Plate service has been a success. We now have more than or e-hundred thousand Charga-Plates in the hands of the St. Louis buying public and it is gratifying to observe an increasing number of requests for Plates from out-of-town customers who find the use of the Charga-Plate a great convenience when shopping in St. Louis. Altogether, there is an increasing amount of enthusiasm on the part of the customers for this new store service.

The convenience of the printed name to our delivery, bookkeeping, and authorizing departments is incalculable, and from this angle alone, the Charga-Plate has rendered a real service to the member stores.

We are having an increased amount of cooperation among member stores in better methods of service to the customer.

Sig Wolfort, President. Charga-Plate has taken St. Louis by storm. For within eighteen months, this new charge system has become an integral part of the retail life of the city. Seven stores are participating. Thousands of customers are enjoying the convenience of their handy little Charga-Plates. And many new accounts are opened each day.

To more than 100,000 customers of our member stores, Charga-Plate has brought better shopping conditions. Time is saved. Billing and delivery errors are eliminated. Troubles are avoided. And the customers have been quick to respond to this easier way to shop.

For the stores, Charga-Plate has made economies far beyond expectations. Service is faster—better. Sales are speeded up. The entire sales force is more efficient and training methods for extras are greatly simplified.

Farrington Mfg. Co. Jamaica Plain - Boston, Mass.

Member Stores

Scruggs-Vandervoort-Barney Stix, Baer and Fuller Company Sonnenfeld's Famous-Barr Company Thomas W. Garland, Inc. Kline's Jaccard's

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